

SUPREME COURT, U. S.

Exhibit Volume II

TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1967

No. 49

**EDWARD J. HARDIN, AS MAYOR OF TAZEWELL,
TENNESSEE, ET AL., PETITIONERS,**

vs.

KENTUCKY UTILITIES COMPANY

No. 50

**POWELL VALLEY ELECTRIC COOPERATIVE,
PETITIONER,**

vs.

KENTUCKY UTILITIES COMPANY

No. 51

TENNESSEE VALLEY AUTHORITY, PETITIONER,

vs.

KENTUCKY UTILITIES COMPANY

**ON WRITS OF HABEAS CORPUS TO THE UNITED STATES COURT OF
APPEALS FOR THE SIXTH CIRCUIT**

No. 49 PETITION FOR CERTIORARI FILED JANUARY 11, 1967

No. 50 PETITION FOR CERTIORARI FILED FEBRUARY 12, 1967

No. 51 PETITION FOR CERTIORARI FILED FEBRUARY 12, 1967

CERTIORARI GRANTED MARCH 27, 1967

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1967

No. 40

**EDWARD J. HARDIN, AS MAYOR OF TAZEWELL,
TENNESSEE, ET AL., PETITIONERS,**

vs.

KENTUCKY UTILITIES COMPANY

No. 50

**POWELL VALLEY ELECTRIC COOPERATIVE,
PETITIONER,**

vs.

KENTUCKY UTILITIES COMPANY.

No. 51

TENNESSEE VALLEY AUTHORITY, PETITIONER,

vs.

KENTUCKY UTILITIES COMPANY

**ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF
APPEALS FOR THE SIXTH CIRCUIT**

EXHIBIT VOLUME II

INDEX

**Record from the United States District Court for the East-
ern District of Tennessee, Northern Division**

EXHIBITS:

	Original	Print
No. 13—Telegram from the two Mayors to Ken- tucky Utilities, dated November 6, 1963.....	1192	751
No. 14—Map of Kentucky Utilities Company— Portion of "Rowe-Osborne" map showing area surrounding Tazewell and New Tazewell, Ten- nessee. See Exhibit Volume I, Sheet 4b.....		

Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued
EXHIBITS—Continued

	Original	Print
No. 15—Map of Kentucky Utilities Company—Sketch showing conflict between D.P. & L. Co. & Powell Valley R.E.A. in New Tazewell, Tenn.	1193	753
No. 16—Map of Kentucky Utilities Company—Map showing Pole Relocation Along New Highway From Powell River Bridge to the Morristown Hwy. in Old Tazewell, Tenn.—Claiborne Co. Hwy. 25E—M'Boro District	1194	754
No. 17 & No. 18—Sheets 1 and 2—Maps of Kentucky Utilities Company—Map of Old & New Tazewell	1195	755
No. 23—Map of Kentucky Utilities Company—Map showing Kentucky Utilities Company Facilities in the Corporate Boundaries of Tazewell and New Tazewell, Tennessee as of July 1, 1957	1197	757
No. 24—Map of Tazewell and New Tazewell, Tennessee, showing locations of buildings served by Kentucky Utilities (red dots) and buildings served by Powell Valley Electric Cooperative (green dots) as of April 24, 1964. See Exhibit Volume I, Sheet 3b		
No. 25—Map of Tazewell and New Tazewell, Claiborne County, Tennessee showing Distribution Lines, Customers and Corporate Limits as of July 1, 1957	1198	758
No. 26—Map—Tennessee Valley Authority—Office of Power Transmission System, dated July 1958	1199	759
No. 27—Map—The TVA Power System, June 1956	1200	760
No. 28—Map—The TVA Power System, June 1957	1201	761
No. 29—Map—The TVA Power System, July 1958	1202	762
No. 30—Map—The TVA Power System, July 1959	1203	763
No. 31—Map—The TVA Power System, July 1960	1204	764
No. 32—Map—The TVA Power System, July 1961	1205	765
No. 33—Map—The TVA Power System, July 1962	1206	766
No. 34—Map—The TVA Power System, July 1963	1207	767
No. 35—Map—Tennessee Valley Authority Transmission System, July 1962	1208	768

Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued
EXHIBITS—Continued

	Original	Print
No. 36—Map—Tennessee Valley Authority, Department of Operations—Transmission and Rural Distribution Lines in Campbell, Claiborne, Union and Grainger Counties, Tennessee, L-C-7000, with transmittal letter dated June 18, 1952	1209	769
No. 37—Map of Kentucky Utilities Co. showing Electric Facilities Claiborne Co., Tenn., dated January 1, 1956 and with Revision dated September 1, 1959	1211	772
No. 38—Map showing Customers and Lines of TVA Power Distributors as of July 1, 1957 in Claiborne County, Tennessee	1212	773
No. 39—List of Towns Presently Supplied by Investor Owned Electric Utilities Which Towns Are Completely Surrounded by TVA's Power Service Area as Such Area Is Shown on TVA's July, 1958 Transmission System Map	1213	775
No. 40—List of Towns Presently Supplied by Investor Owned Electric Utilities Which Towns Lie Within Areas Partially, But Not Entirely Surrounded by TVA's Power Service Area as Such Area Is Shown on TVA's July, 1958 Transmission Service Map	1215	777
No. 48—Kentucky Utilities Company Service Contract for Electric Service with Dayton Shockley, dated September 28, 1962	1216	778
Nos. 49-56—Photographs of service connections	1217	781
No. 58—Original copy of map, Exhibit No. 36	1225	789
No. 68—Letter from F. E. Berry, Manager, Powell Valley Electric Cooperative to Mr. Dewey S. Hunter, Executive Director, The LaFollette Housing Authority, dated March 3, 1961	1226	791
No. 69—Letter from Dewey S. Hunter, Executive Director, The LaFollette Housing Authority to Mr. S. E. Berry, dated February 27, 1961	1227	792
No. 83—Letter from Ralph B. Miner, Manager Powell Valley Electric Cooperative to Mr. C. Wilson House, Tennessee Valley Authority, dated December 26, 1963	1228	793
No. 91—Map of Claiborne County, Tennessee, showing customers and lines of distributors of TVA power as of July 1, 1957. See Exhibit Volume I, Sheet 1b		

Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued
EXHIBITS—Continued

Original Print

No. 92—Map—Expansion of TV Service Area Under S. 931 and H.R. 3460 attached to statement filed by Kentucky Utilities with the House Committee on Public Works during hearings on TVA Bond Financing Bill, March 1959. See Exhibit Volume I, Sheet 8b		
No. 93—Minutes of Meeting of The Board of Directors, Tennessee Valley Authority, August 26, 1964 with the following attachments:	1230	795
Waiver of Notice of Meeting of Directors of the Tennessee Valley Authority	1234	799
Exhibit 8-26-64a—Memorandum from G. O. Wessenauer, Manager of Power to L. J. Van Mol, General Manager, dated August 25, 1964	1235	800
Attachment—Map of Claiborne County, Tennessee, showing customers and lines of distributors of TVA power as of July 1, 1957—See Exhibit Volume I, Sheet 1b		
Attachment—Map—TVA Major Construction Projects, April 1955—See Exhibit Volume I, Sheet 5b		
Attachment—Map—The TVA System—Dams and Steam Plants, January 1957—See Exhibit Volume I, Sheet 6b		
Attachment—Map presented by TVA witness to House Committee on Public Works during hearings on TVA Bond Financing Bill, March 1959—See Exhibit Volume I, Sheet 7b		
Attachment—Map—Expansion of TV Service Area Under S. 931 and H.R. 3460 attached to statement filed by Kentucky Utilities with the House Committee on Public Works during hearings on TVA Bond Financing Bill, March 1959—See Exhibit Volume I, Sheet 8b		
Exhibit 8-26-64b—Memorandum from Charles J. McCarthy, General Counsel to Board of Directors, dated August 25, 1964	1238	804
Exhibits 8-26-64c and 8-26-64d—Maps showing agreed territorial boundary lines between Kentucky Utilities Co. and Powell Valley R.E.C.C. in Tenn., Section No. 1 and Section No. 2	1240	807

INDEX

V

Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued EXHIBITS—Continued

Original Print

No. 94—Map—TVA Major Construction Projects, April 1955, presented by TVA witness to Subcommittee of the Senate Committee on Public Works during hearings on TVA Bond Financing Bill, July 1955. See Exhibit Volume I, Sheet 5b.		
No. 95—Map—The TVA System—Dams and Steam Plants, January 1957—presented by TVA witness to a Subcommittee of the House Committee on Public Works during hearings on TVA Bond Financing Bill, March, April and May, 1957. See Exhibit Volume I, Sheet 6b.		
No. 96—Map presented by TVA witness to House Committee on Public Works during hearings on TVA Bond Financing Bill, March 1959. See Exhibit Volume I, Sheet 7b.		
No. 97—Photograph of Exhibit No. 96.	1242	809
No. 98—TVA Memorandum, James E. Watson, Director of Power Marketing to Manager's Files, dated February 17, 1960.	1243	811
No. 99—Agreement Among TVA, PVEC and KU, dated October 8, 1952.	1245	813
No. 100—Map—Kentucky Utilities Company and Subsidiary Territory Served attached to statement filed by Kentucky Utilities with the House Committee on Public Works during hearings on TVA Bond Financing Bill, March 1959. See Exhibit Volume I, Sheet 9b.		
No. 101—Power Contract Between Tennessee Valley Authority and Powell Valley Electric Cooperative, dated September 8, 1945 (from TVA Annual Report for 1946).	1250	817
No. 105—Map of Claiborne County, Tennessee, showing lines of Powell Valley Electric Cooperative marked in color denoting growth of Cooperative through July 1, 1957. See Exhibit Volume I, Sheet 2b.		
No. 106—"Statement—Estimate of amount of power sent outside Claiborne County (Exhibits 2 and 3).	1263	843
No. 107—Chart—Residential Rate Comparison—Between Kentucky Utilities Company and Powell Valley Electric Cooperative as of October, 1963, in Tazewell and New Tazewell.	1264	845
No. 117—Resolution No. 15 of Tazewell, Tennessee, dated October 21, 1963.	1265	847

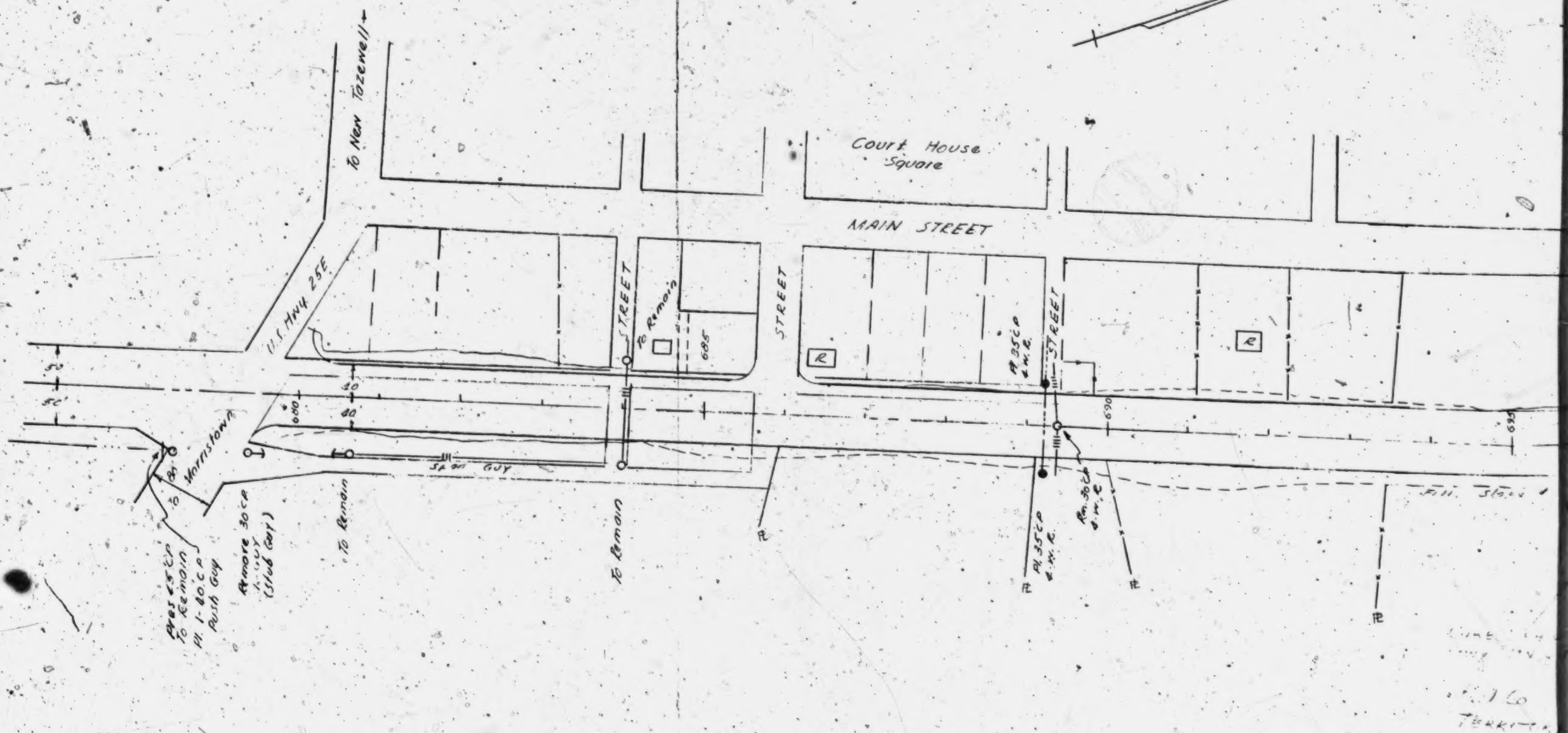
Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued

EXHIBITS TO DEPOSITION OF C. WILSON HOUSE

	Original	Print
No. 1—Memorandum of Telephone conversation with Ralph Miner on Oct. 11, 1962.....	1266	848
No. 2—Letter from William R. Stanifer to Herbert D. Vogle, dated July 19, 1961; letter from Herbert D. Vogle to William R. Stanifer, dated July 26, 1961; letter from C. Wilson House to William R. Stanifer, dated August 7, 1961; letter from William R. Stanifer to C. Wilson House, dated August 10, 1961 and letter from C. Wilson House to William R. Stanifer, dated August 11, 1961.....	1267	849
No. 3—Memorandum from C. Wilson House to Manager's File, dated September 1, 1961 (Exhibit No. 70).....	1272	853
No. 4—Memorandum from C. Wilson House to James E. Watson, dated June 12, 1961 with attachments.....	1274	855
No. 5—Letter from Lewis H. Oatts to Mr. C. Wilson House, dated August 11, 1961 with attachments.....	1280	861
No. 6—Agreements, TV-11505A, TV-14190A, and TV-22721A.....	1306	874
No. 7—Letters from C. Wilson House to F. E. Berry, dated March 13, 1962 and April 6, 1962.....	1320	897
No. 8—Letter from F. E. Berry to C. Wilson House, dated April 13, 1962.....	1322	899
No. 9—Memorandum from C. Wilson House to Manager's File, dated April 18, 1962 (Exhibit No. 71).....	1324	901
No. 10—Memorandum from C. Wilson House to Paul S. Button, dated October 17, 1962 (Exhibit No. 72).....	1326	903
No. 11—Memorandum from C. Wilson House to Paul S. Button, dated October 18, 1962 (Exhibit No. 73).....	1327	904
No. 12—Letter from C. Wilson House to Ralph B. Miner, dated October 31, 1962 and reply dated November 2, 1962.....	1328	906
No. 13—Memorandum from C. Wilson House to Manager's Files, dated November 19, 1962 (Exhibit No. 74).....	1330	908
No. 14—Letter from C. Wilson House to Ralph B. Miner, dated November 16, 1962.....	1332	911

Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued
EXHIBITS TO DEPOSITION OF C. WILSON HOUSE—Continued

	Original	Print
No. 15—Memorandum from Paul S. Button to T. Graham Wells, dated November 20, 1962 and Memorandum from K. E. Hapgood to Paul S. Button, dated November 23, 1962 (Exhibit No. 75)	1333	912
No. 16—Memorandum from C. Wilson House to Manager's Files, dated November 28, 1962 (Exhibit No. 76)	1335	914
No. 17—Memorandum from Paul S. Button to Manager's Files, dated December 5, 1962 (Exhibit No. 77)	1338	917
No. 18—Memorandum from L. J. Van Mol to G. O. Wessenauer, dated December 10, 1962 (Exhibit No. 78)	1340	920
No. 19—Letter from C. Wilson House to Ralph B. Miner, dated December 14, 1962 (Exhibit No. 79)	1341	921
No. 20—Letters from R. H. Cottrell, Jr. to James B. DeBusk and Joe F. Essary, dated January 4, 1963 re: Proposal for Utilities Appraisal	1342	922
No. 21—Letter from C. Wilson House to Ralph B. Miner, dated May 28, 1963	1347	927
No. 22—Memorandum from C. Wilson House to Paul S. Button, dated June 20, 1963 (Exhibit No. 80)	1348	928
No. 23—Letter from C. Wilson House to Paul S. Button, dated August 27, 1963; letter from Ralph B. Miner to C. Wilson House, dated August 26, 1963 and letter from E. J. Hardin, III to Ralph B. Miner, dated August 14, 1963 (Exhibit No. 81)	1349	929
No. 24—Letter from C. Wilson House to Ralph B. Miner, dated August 30, 1963	1352	932
No. 25—Letter from C. Wilson House to Philip P. Ardery, dated September 9, 1963	1353	933
No. 26—Letter from C. Wilson House to Ralph B. Miner, dated September 23, 1963; letter from C. Wilson House to Paul S. Button, dated September 16, 1963; letter from Ralph B. Miner to C. Wilson House, dated September 13, 1963 and letter from the Mayors of the towns of Tazewell and New Tazewell, dated September 14, 1963 (Exhibit No. 82)	1354	934



Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued

EXHIBITS TO DEPOSITION OF C. WILSON HOUSE—Continued

	Original	Print
No. 27—Letter from Ralph B. Miner to Edward J. Hardin, III and J. B. DeBusk, dated September 24, 1963 (Exhibit No. 85)	1358	938
No. 28—Letter from C. Wilson House to Paul S. Button, dated April 10, 1964 and letter from Ralph B. Miner to Norman M. Clapp, dated April 3, 1964	1359	939
No. 29—Letter from C. Wilson House to Ralph B. Miner, dated May 5, 1964	1364	943
No. 30—Letter from Ralph B. Miner to C. Wilson House, dated March 18, 1964 (Exhibit No. 84)	1365	945
No. 31—Letter from C. Wilson House to Ralph B. Miner, dated March 26, 1964	1366	947
No. 32—Letter from C. Wilson House to Leonard Watson, dated April 6, 1964	1367	948
No. 33—Letter from C. Wilson House to Ralph B. Miner, dated May 28, 1964 and memo from C. Wilson House to Paul S. Button, dated May 5, 1964	1368	949

EXHIBITS TO DEPOSITION OF RALPH B. MINER

No. 2—Statement entitled "Comparison of Kilowatt Hours Delivered in Claiborne County During 1957 by Powell Valley Electric Cooperative and Kentucky Utilities Company (Exhibit No. 57)	1370	950
No. 5—List of Persons Attending Power Meeting at Cedar Grove, New Tazewell, Tenn on 4-12-62 and notes of meeting (Exhibit No. 60)	1371	951
No. 6—Letter from William R. Stanifer to Ralph Miner, dated October 23, 1962	1373	953
No. 7—Notes on meeting held November 6, 1962 between representatives of REA and Ralph B. Miner in Washington, D.C. (Exhibit No. 61) ..	1374	954
No. 8—Notes on meeting held November 15, 1962 between representatives of TVA and Powell Valley Electric Cooperative in TVA, Knoxville. (Exhibit No. 62)	1376	956
No. 9—Notes on meeting held November 27, 1962 between representatives of TVA, Tazewell, New Tazewell, and Powell Valley Electric Cooperative in Knoxville (Exhibit No. 63)	1378	958

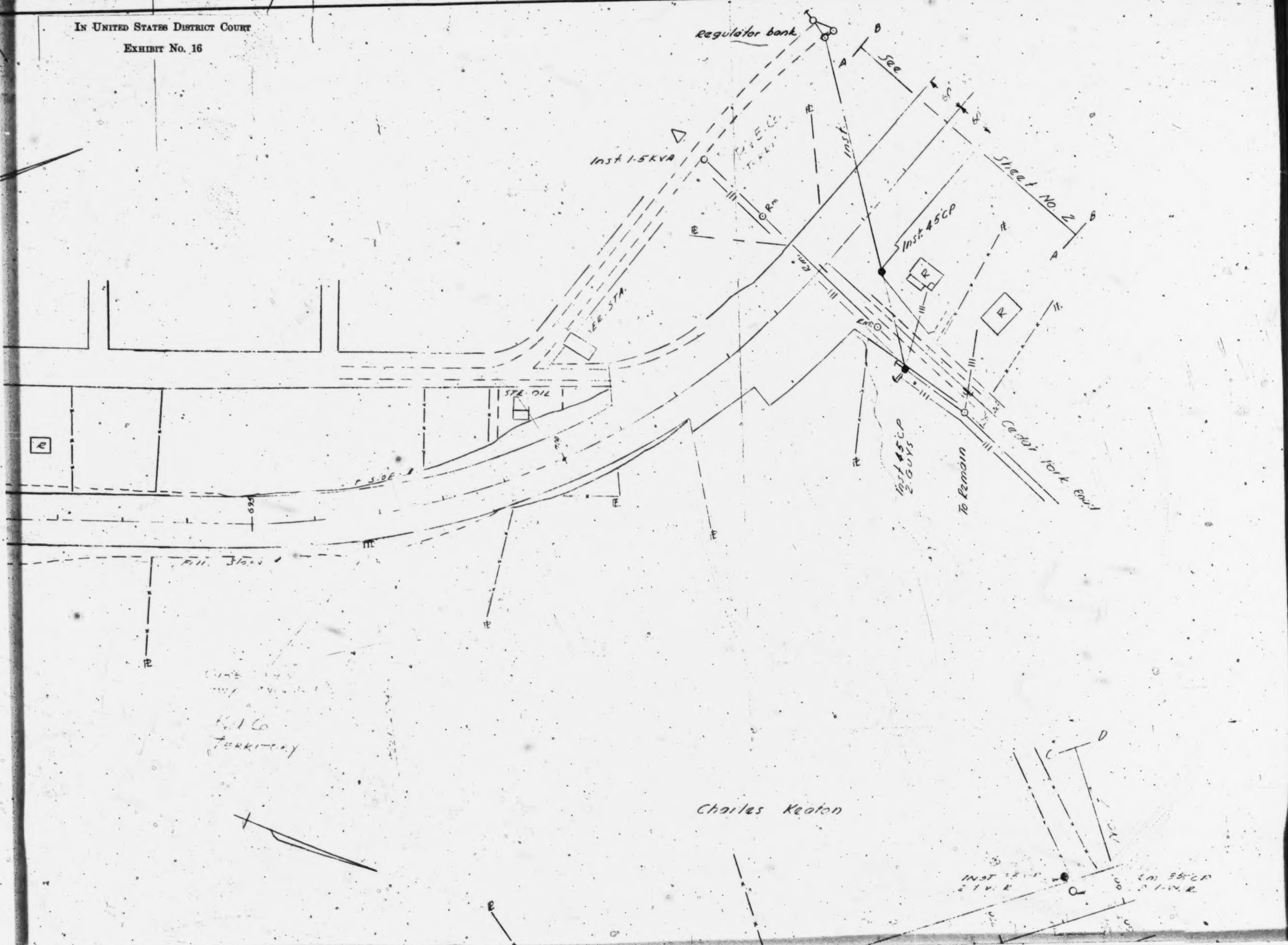
Record from the United States District Court for the Eastern District of Tennessee, Northern Division—Continued

EXHIBITS TO DEPOSITION OF RALPH B. MINER—Continued

	Original	Print
No. 10—Notes on meeting held December 18, 1962 between representatives of Tazewell, New Tazewell, Powell Valley Electric Cooperative, Claiborne County Chamber of Commerce, and Mr. R. H. Cottrell, Jr., in Tazewell (Exhibit No. 64).....	1380	960
No. 11—Notes on meeting held February 12, 1963 between representatives of TRECA and Powell Valley Electric Cooperative in Nashville (Exhibit No. 65).....	1382	962
No. 12—Letter from William H. Callaway to Ralph B. Miner dated August 29, 1963 (Exhibit No. 66).....	1383	964
No. 13—List of Tazewell-New Tazewell Power Board Accounts as of August 21, 1964 (Exhibit No. 67).....	1385	966
No. 14—Summary by Ralph B. Miner of his knowledge of the Tazewell-New Tazewell Power Situation, undated.....	1386	967

EXHIBITS TO DEPOSITION OF HARRY ROWE

No. 1—Map—Section 1—Portion of "Rowe-Osborne" map showing area surrounding Tazewell and New Tazewell, Tennessee. See Volume I, Sheet 4b.....		
No. 2—Map—Section 2—Approved map showing agreed territorial boundary lines between Kentucky Utilities Co. and Powell Valley R.E.C.C. in Tenn.".....	1390	973





[fol. 1192] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 13

WESTERN UNION
Telegram

W. P. Marshall, President

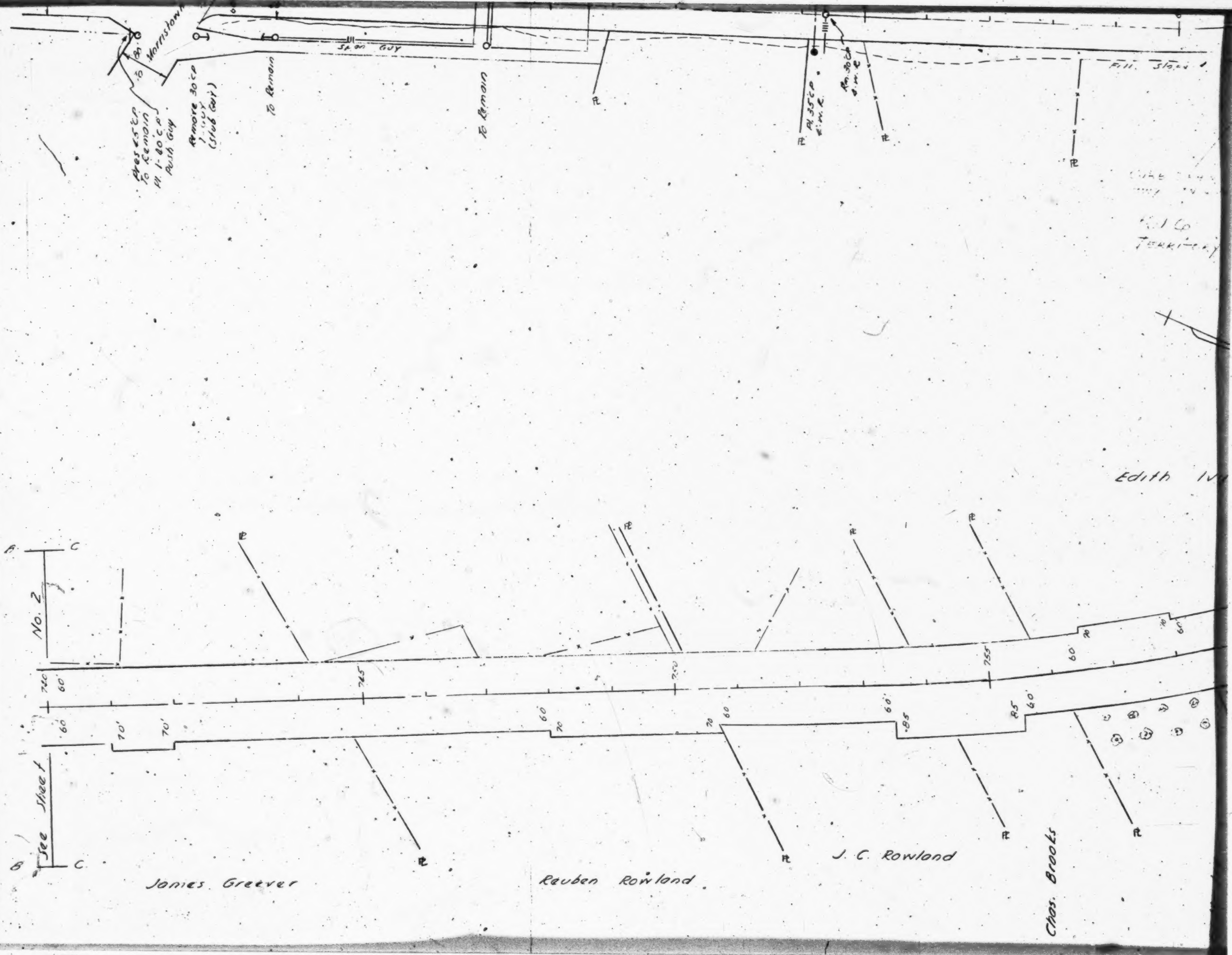
The filing time shown in the date line on domestic telegrams is Local Time at point of origin. Time of receipt is Local Time at point of destination.

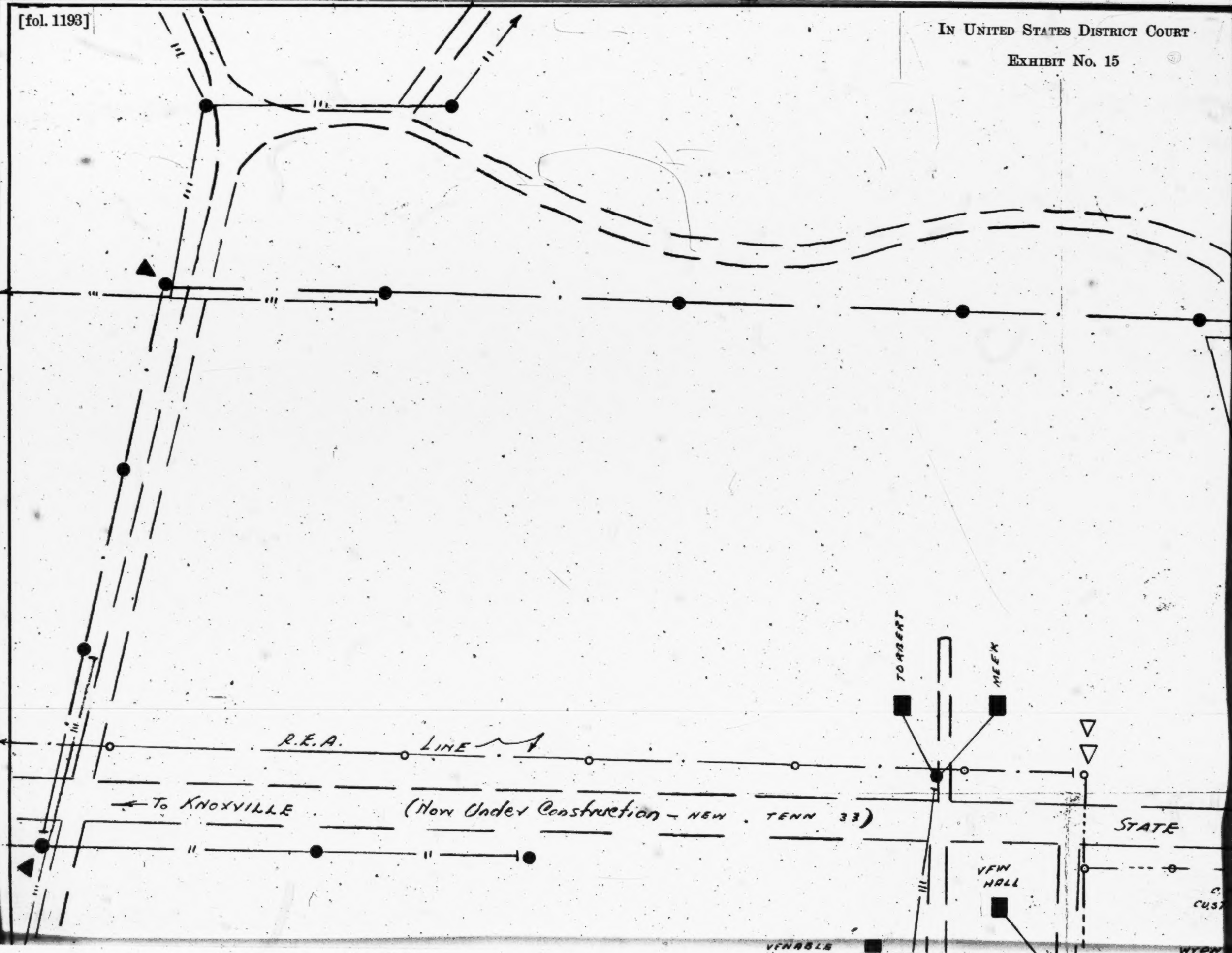
125P EST NOV 6 63 CTA256
CT MRA012 PD NEW TAZEWEILL TENN 6 100P EST
KENTUCKY UTILITIES
LEXINGTON KY

AS YOU KNOW WE HAVE COMMENCED CONSTRUCTION OF A
MUNICIPAL POWER SYSTEM IN TAZEWEILL AND NEW TAZEWEILL
TENN WE WOULD APPRECIATE PROMPT REMOVAL OF YOUR
DUPLICATED FACILITIES AS THE CONSTRUCTION PROGRESSES

E J HARDIN 111 MAYOR OF TAZEWEILL AND BILL DEBUSK
MAYOR OF NEW TAZEWEILL

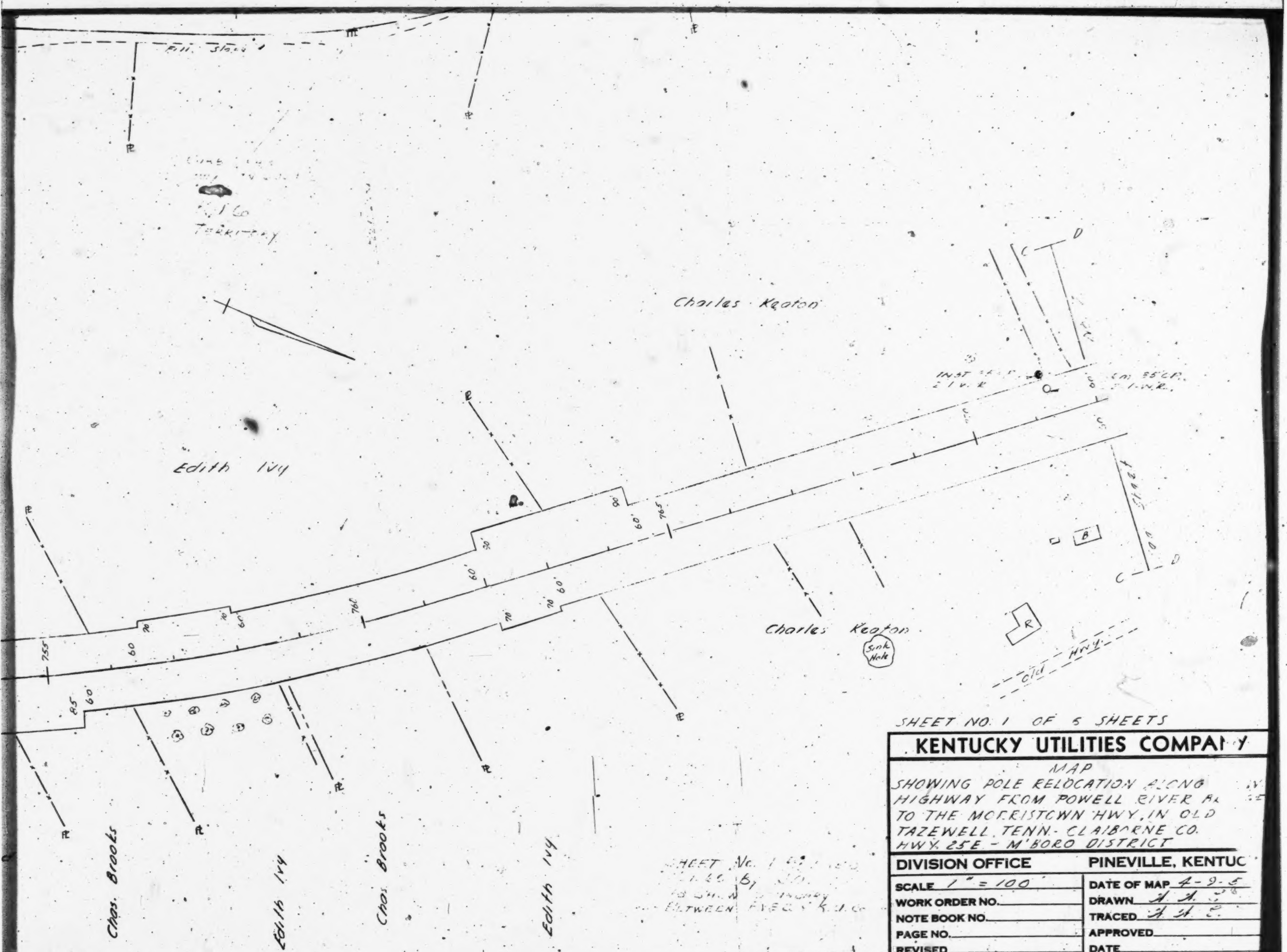
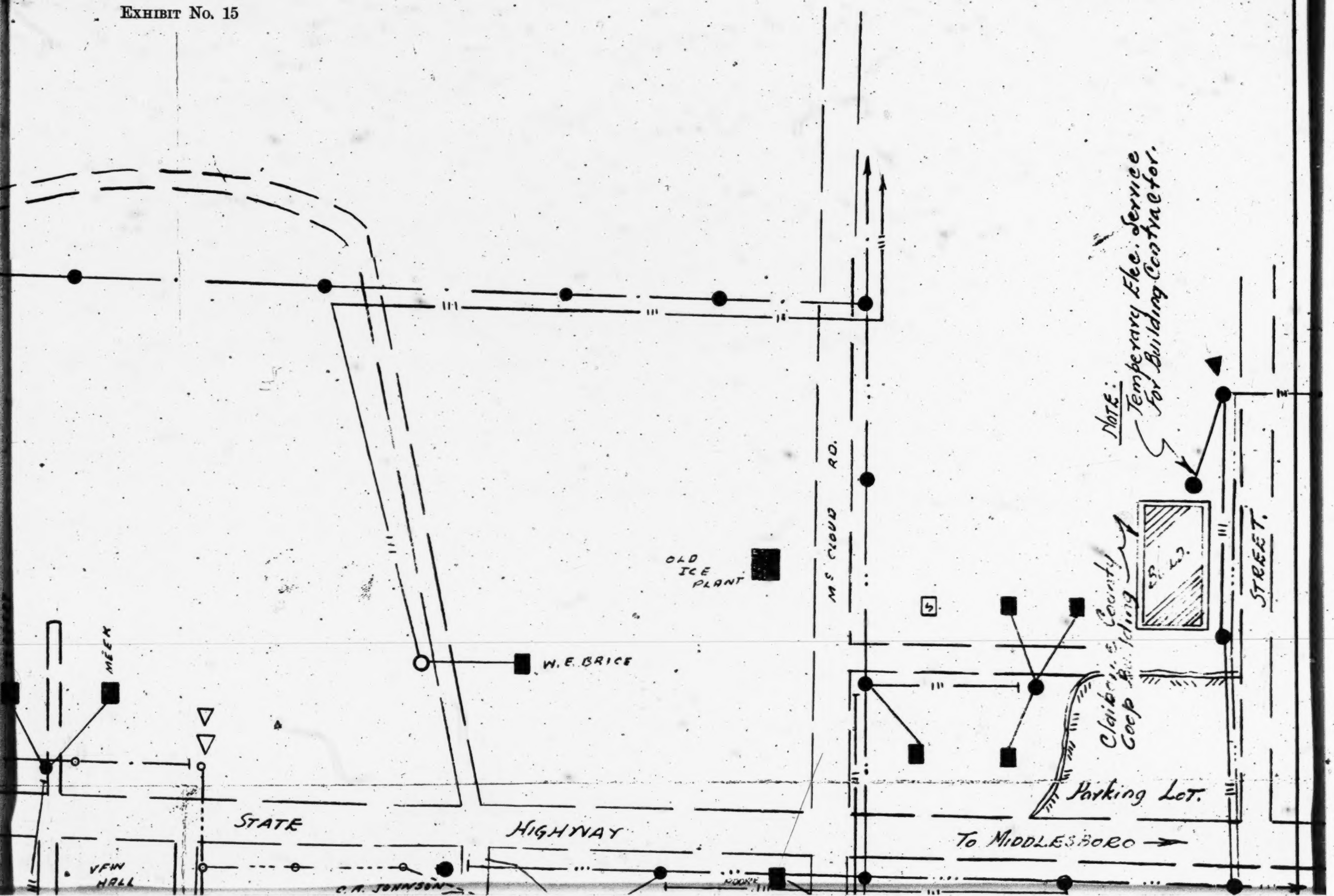
(13).

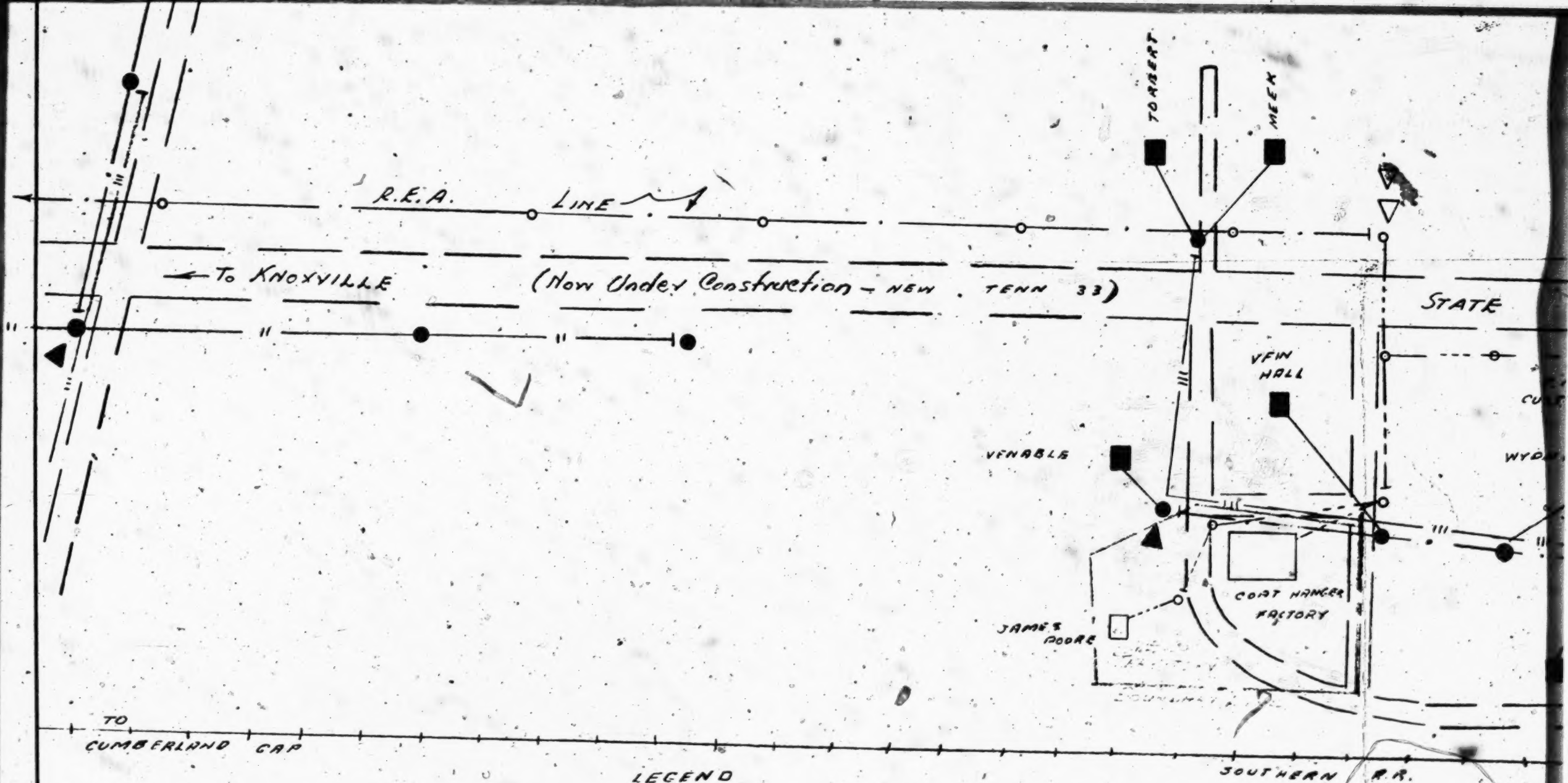




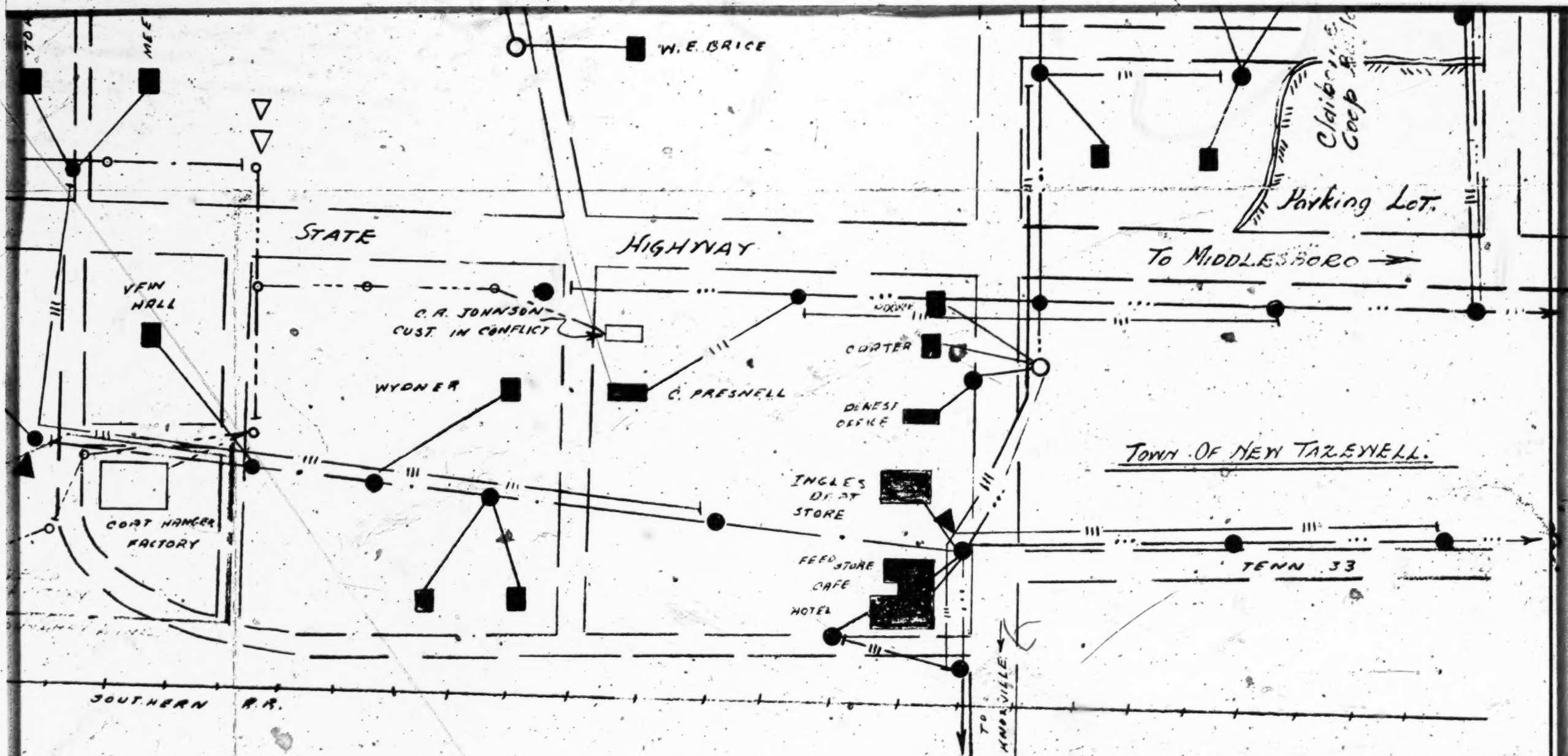
IN UNITED STATES DISTRICT COURT

EXHIBIT No. 15





- LEGEND
- D.P.C.L. POLES
 - POWELL VALLEY R.E.A. POLES
 - ▲ D.P.C.L. TRANSFORMERS
 - △ POWELL VALLEY R.E.A. TRANSFORMERS
 - D.P.C.L. CUSTOMERS
 - POWELL VALLEY R.E.A. CUSTOMERS



KENTUCKY UTILITIES COMPANY

SKETCH SHOWING CONFLICT BETWEEN
D.P.C.L. CO. & POWELL VALLEY R.E.A. IN
NEW TAZEWELL TENN.

DIVISION OFFICE

PINEVILLE, KENTUCKY

SCALE 1"=100'

DATE OF MAP 6-24-52

WORK ORDER NO.

DRAWN H.D.

NOTE BOOK NO.

TRACED H.D.

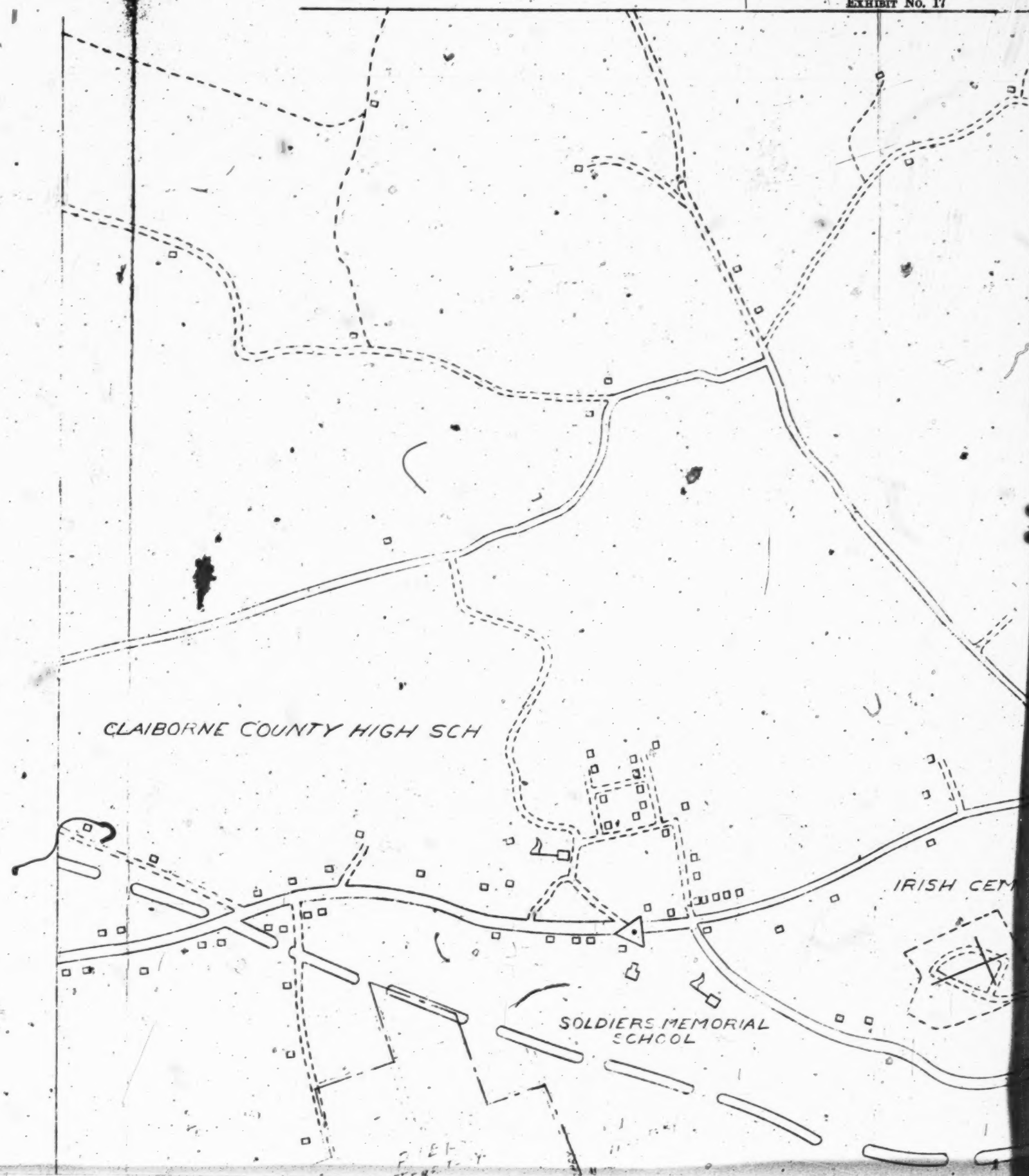
PAGE NO. FIELD SKETCH

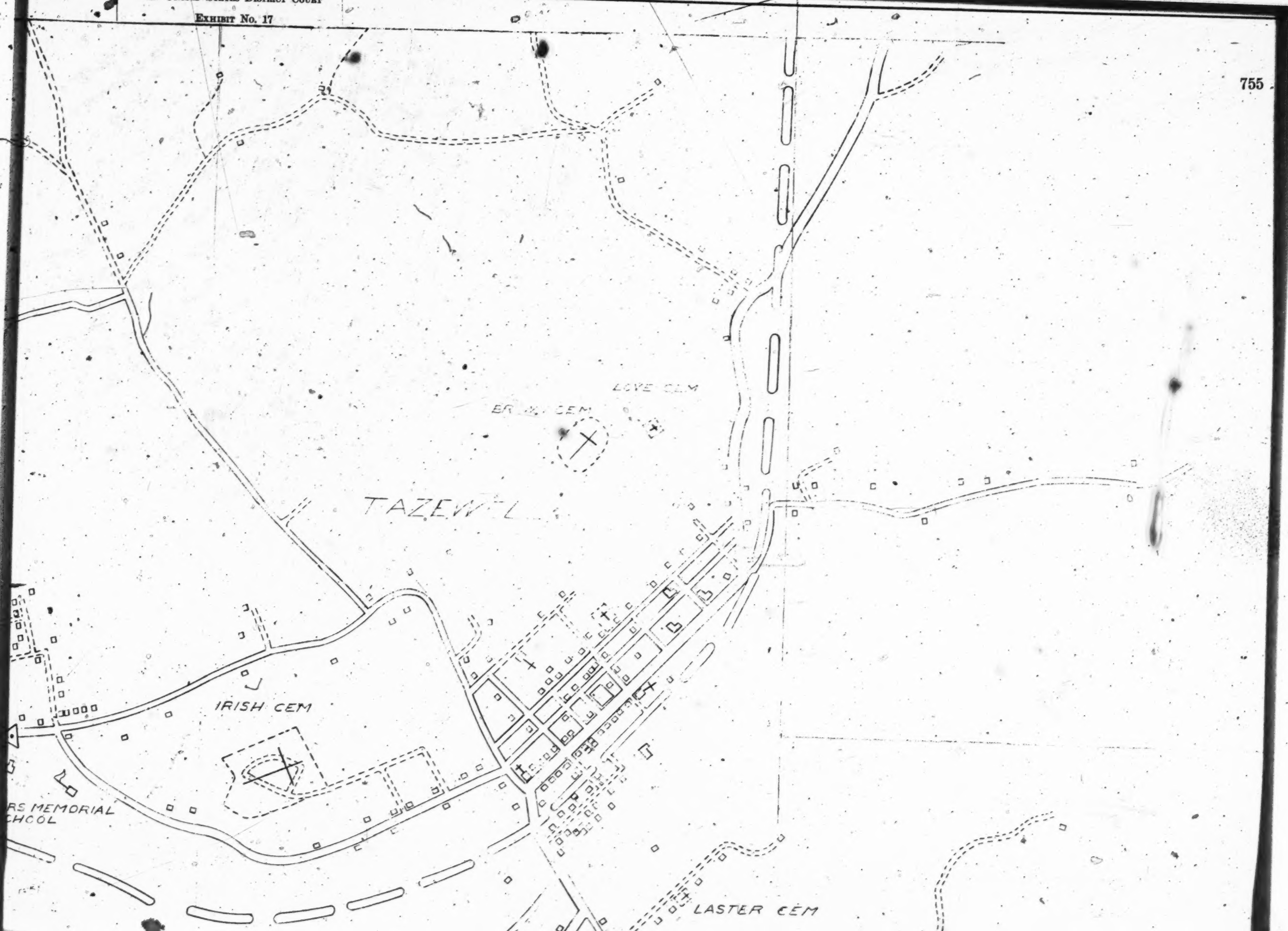
APPROVED

REVISED

DATE 6-25-52

818E



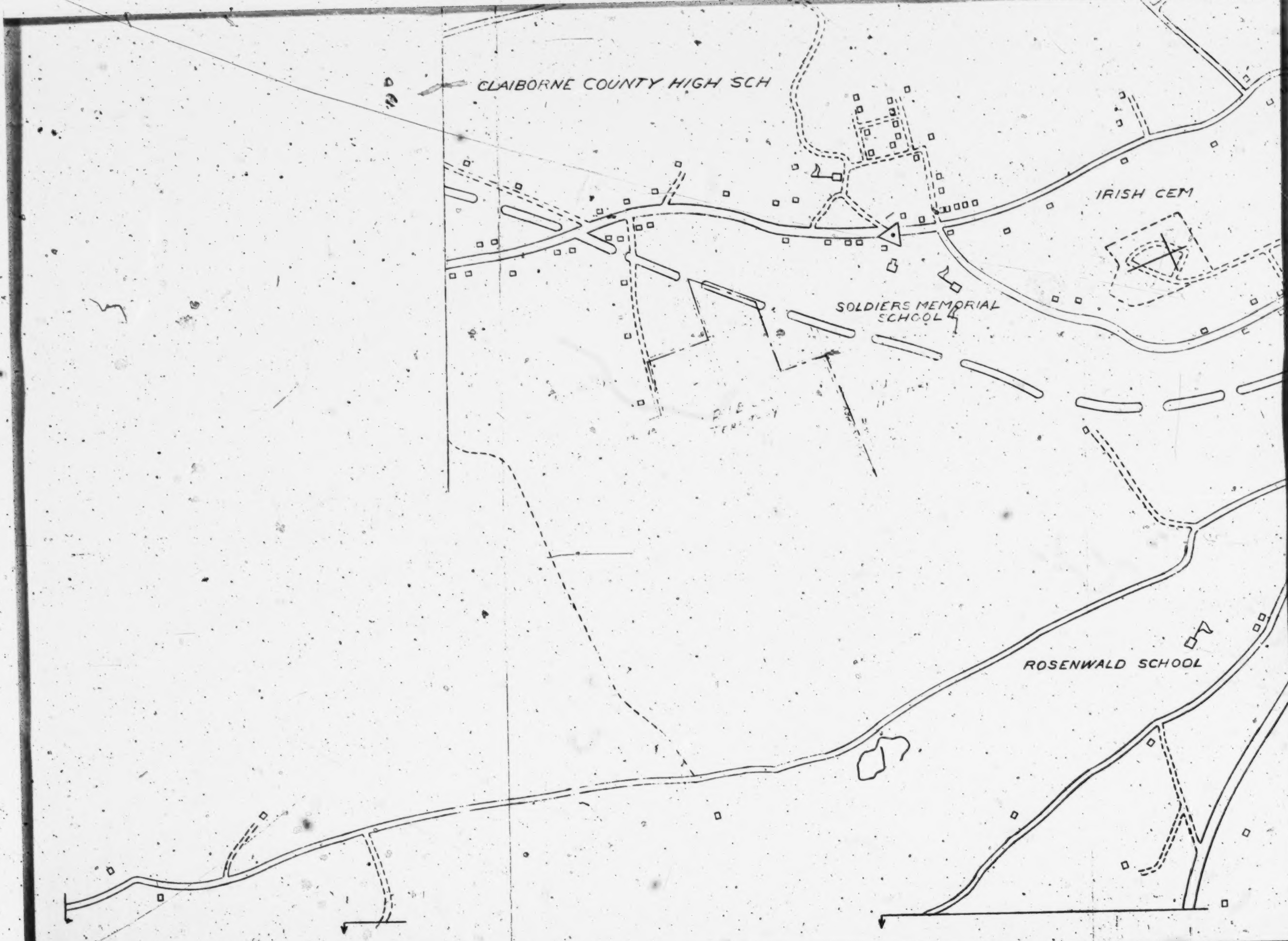


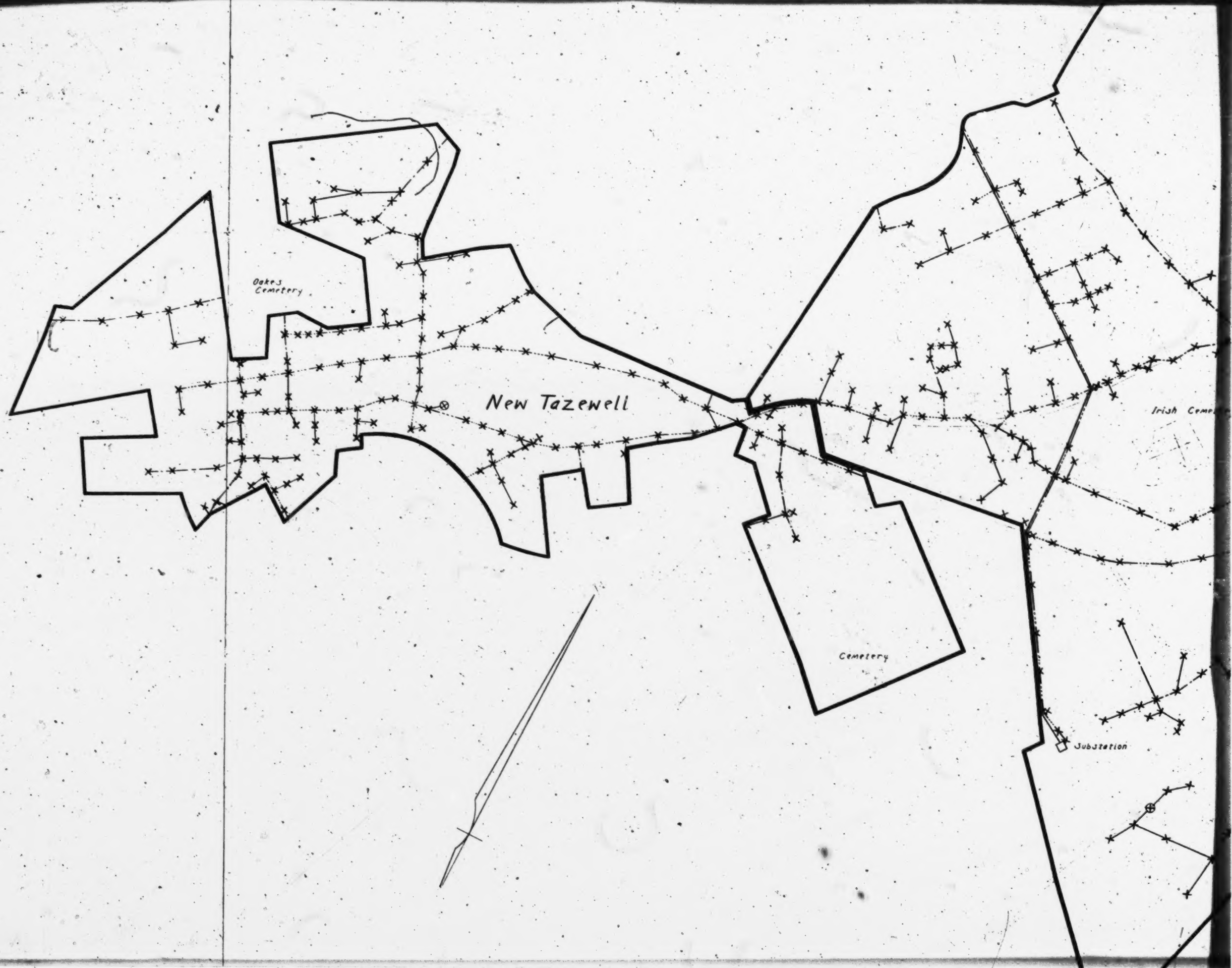
CLAIBORNE COUNTY HIGH SCH

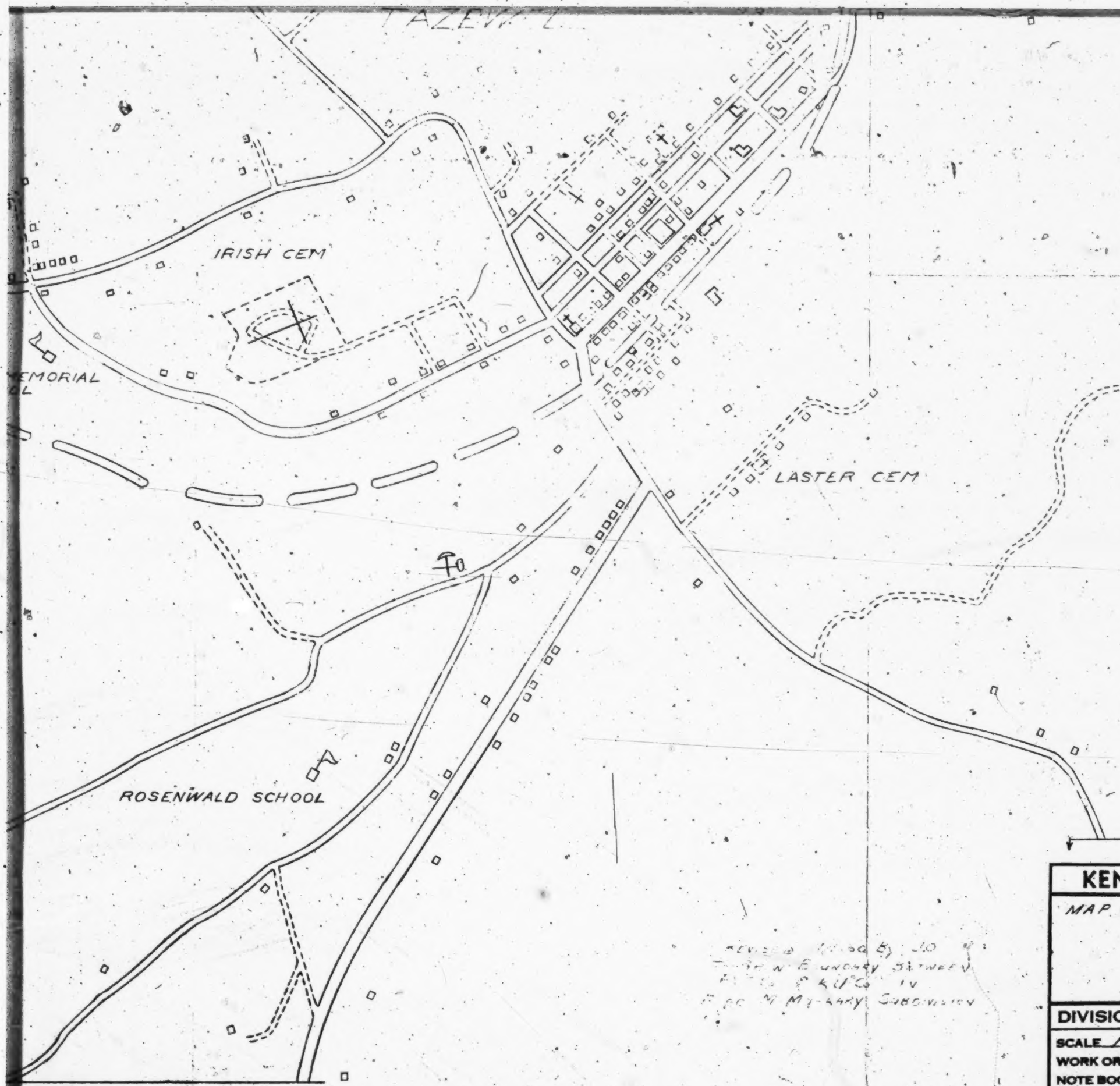
IRISH CEM

SOLDIERS MEMORIAL
SCHOOL

ROSENWALD SCHOOL







REVISED 11-1-50 BY J.D.
TOWN & COUNTRY BETWEEN
RIVER & KIPCO IN
FROM MARY SUBDIVISION

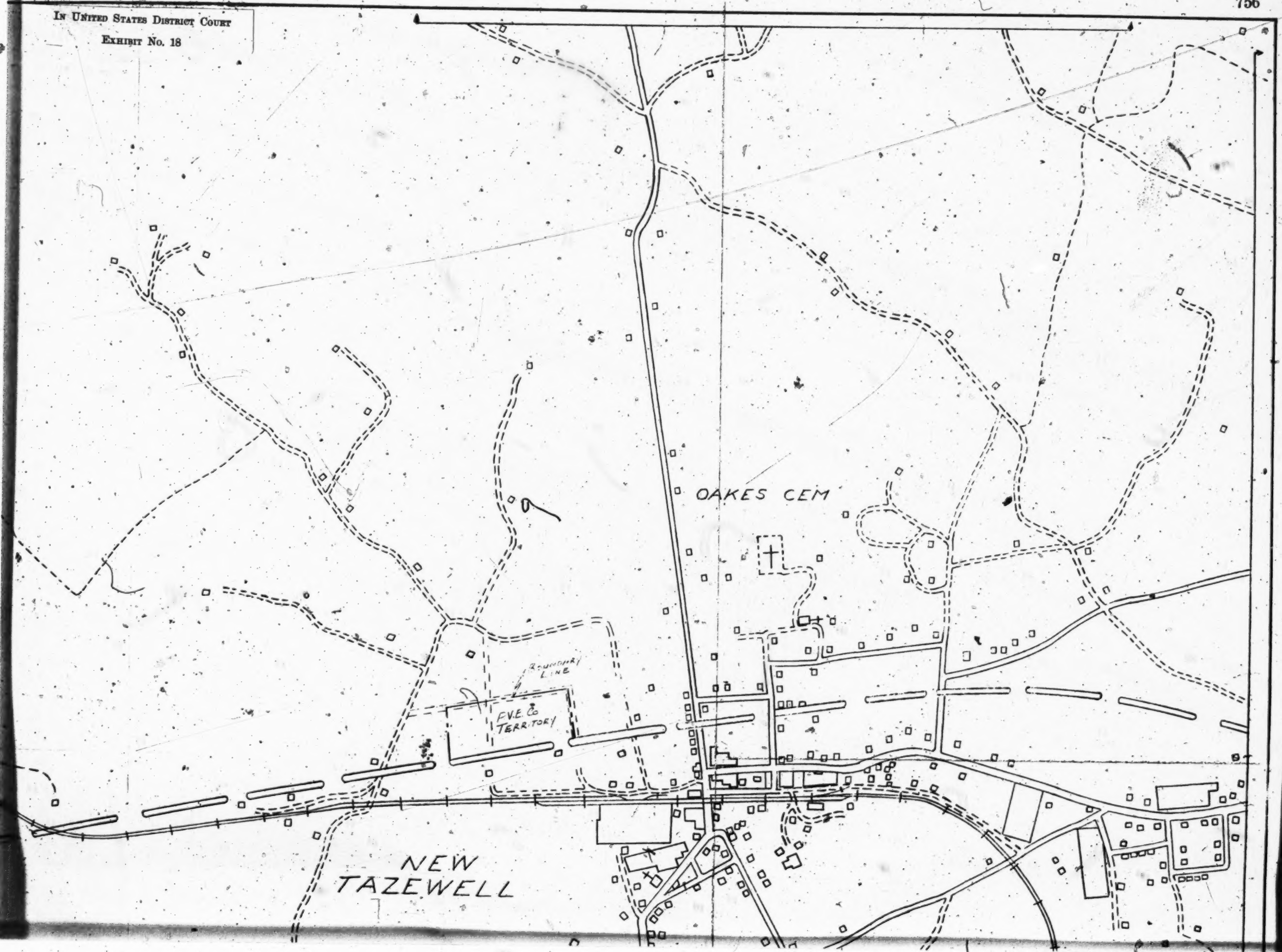
SHEET NO. 1

KENTUCKY UTILITIES COMPANY	
MAP OF OLD & NEW TAEWELL	
DIVISION OFFICE	PINEVILLE, KENTUCKY
SCALE 1" = 400' approx.	DATE OF MAP 1-15-52
WORK ORDER NO.	DRAWN <i>From Subdiv. Map</i>
NOTE BOOK NO.	TRACED <i>J. Jones</i>
PAGE NO.	APPROVED
REVISED	DATE

IN UNITED STATES DISTRICT COURT
EXHIBIT No. 18.



IN UNITED STATES DISTRICT COURT
EXHIBIT No. 18



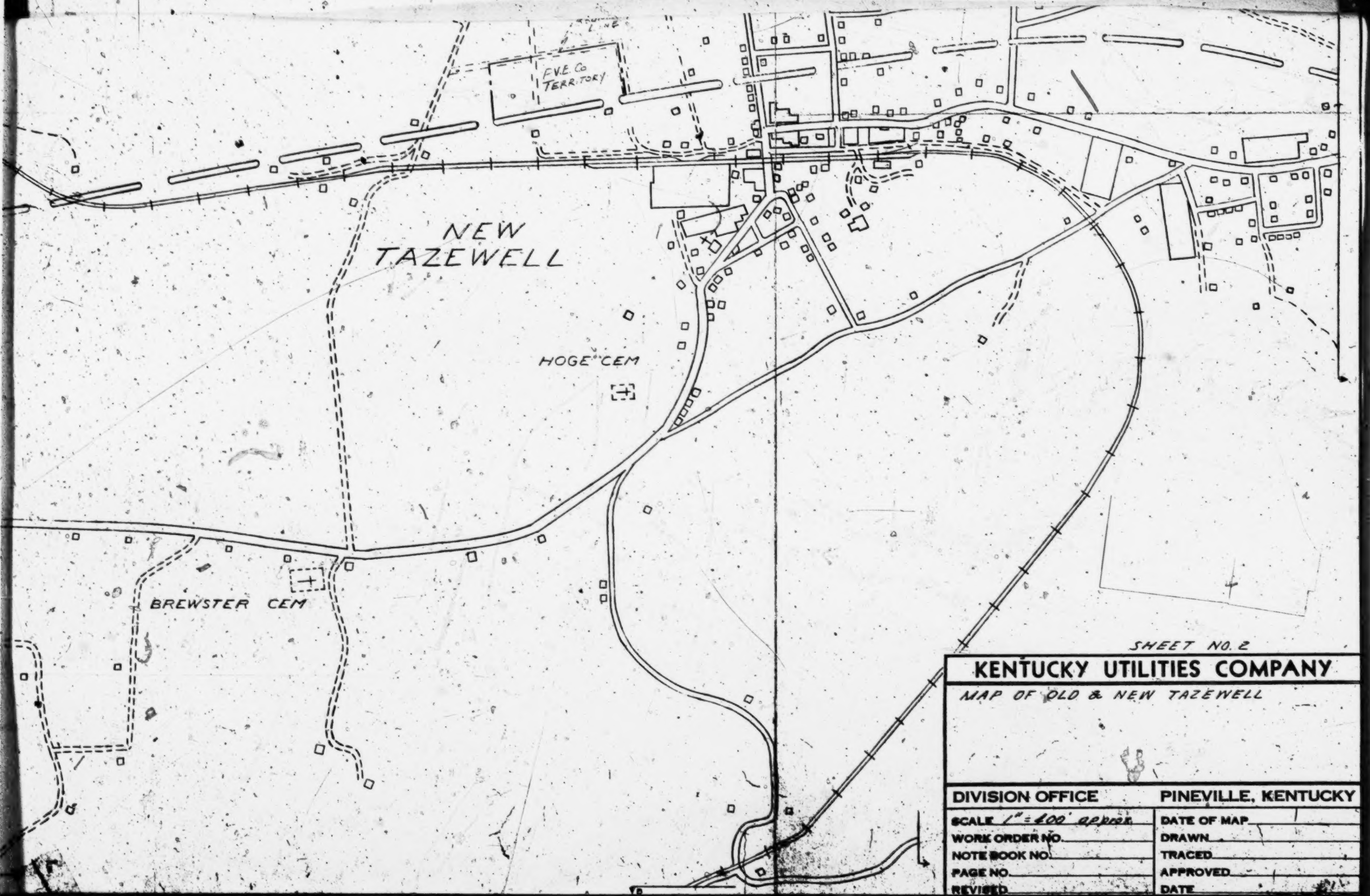
KNOXVILLE 42 MI.
MAYNAHLEVILLE 18 MI.

THOMPSONS CHAPEL
CEM

THOMPSONS CHAPEL

BREWSTER CEN

SOUTHERN



NEW
TAZEWELL

HOGE CEM

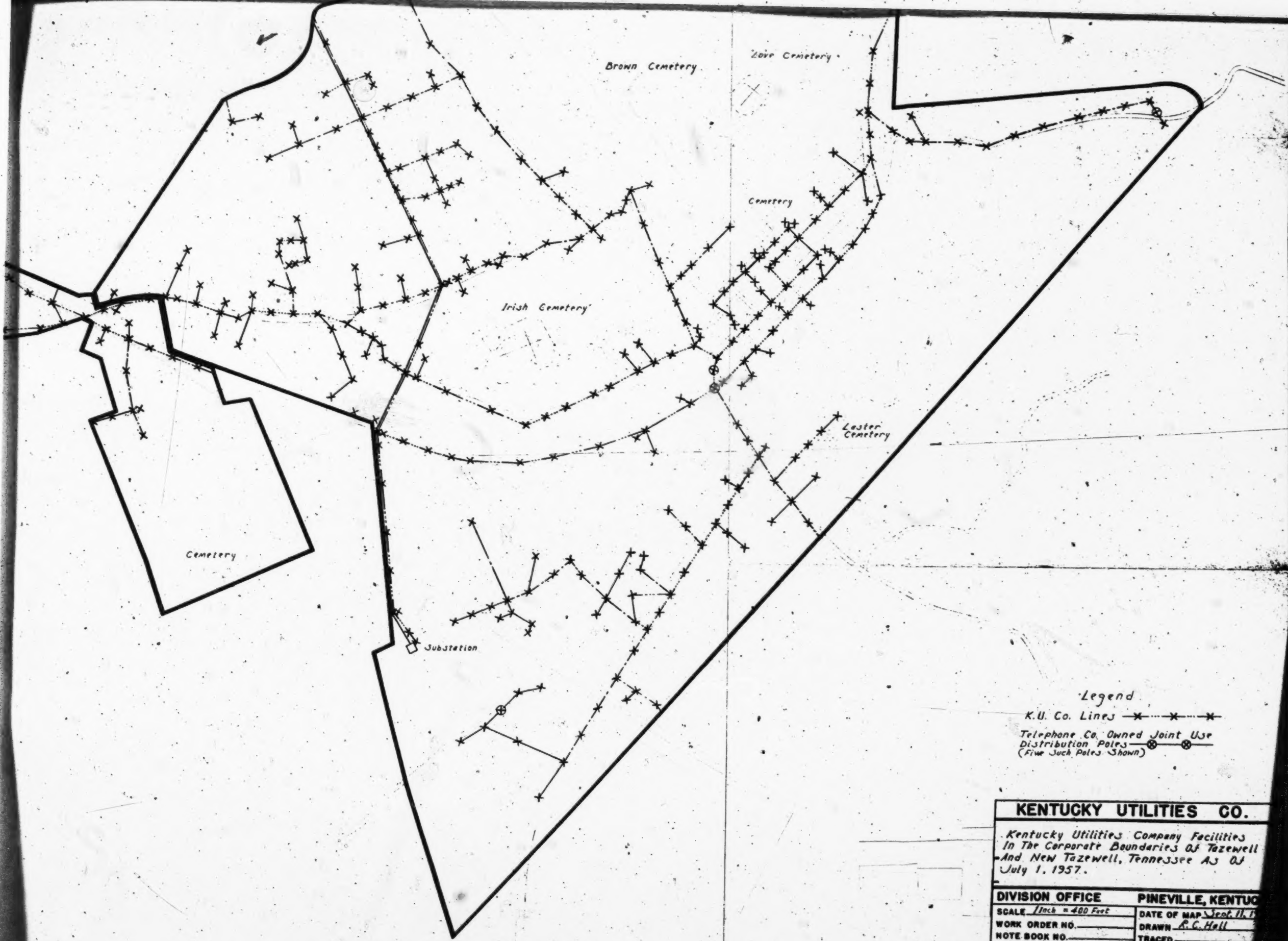
BREWSTER CEM

F.V.E. CO.
TERRITORY

SHEET NO. 2

KENTUCKY UTILITIES COMPANY
MAP OF OLD & NEW TAZEWELL

DIVISION OFFICE		PINEVILLE, KENTUCKY	
SCALE 1" = 400' approx		DATE OF MAP	
WORK ORDER NO.		DRAWN	
NOTE BOOK NO.		TRACED	
PAGE NO.		APPROVED	
REVISED		DATE	



Legend

K.U. Co. Lines — x — x — x —
 Telephone Co. Owned Joint Use
 Distribution Poles — ⊕ — ⊕ —
 (Five Such Poles Shown)

KENTUCKY UTILITIES CO.

Kentucky Utilities Company Facilities
 In The Corporate Boundaries Of Tazewell
 And New Tazewell, Tennessee As Of
 July 1, 1957.

DIVISION OFFICE	PINEVILLE, KENTUCKY
SCALE 1/4" = 400 Feet	DATE OF MAP Sept. 11, 1957
WORK ORDER NO.	DRAWN R. C. Hall
NOTE BOOK NO.	TRACED
PAGE NO.	APPROVED
REVISED	DATE DWG. NO.

EXHIBIT No. 25

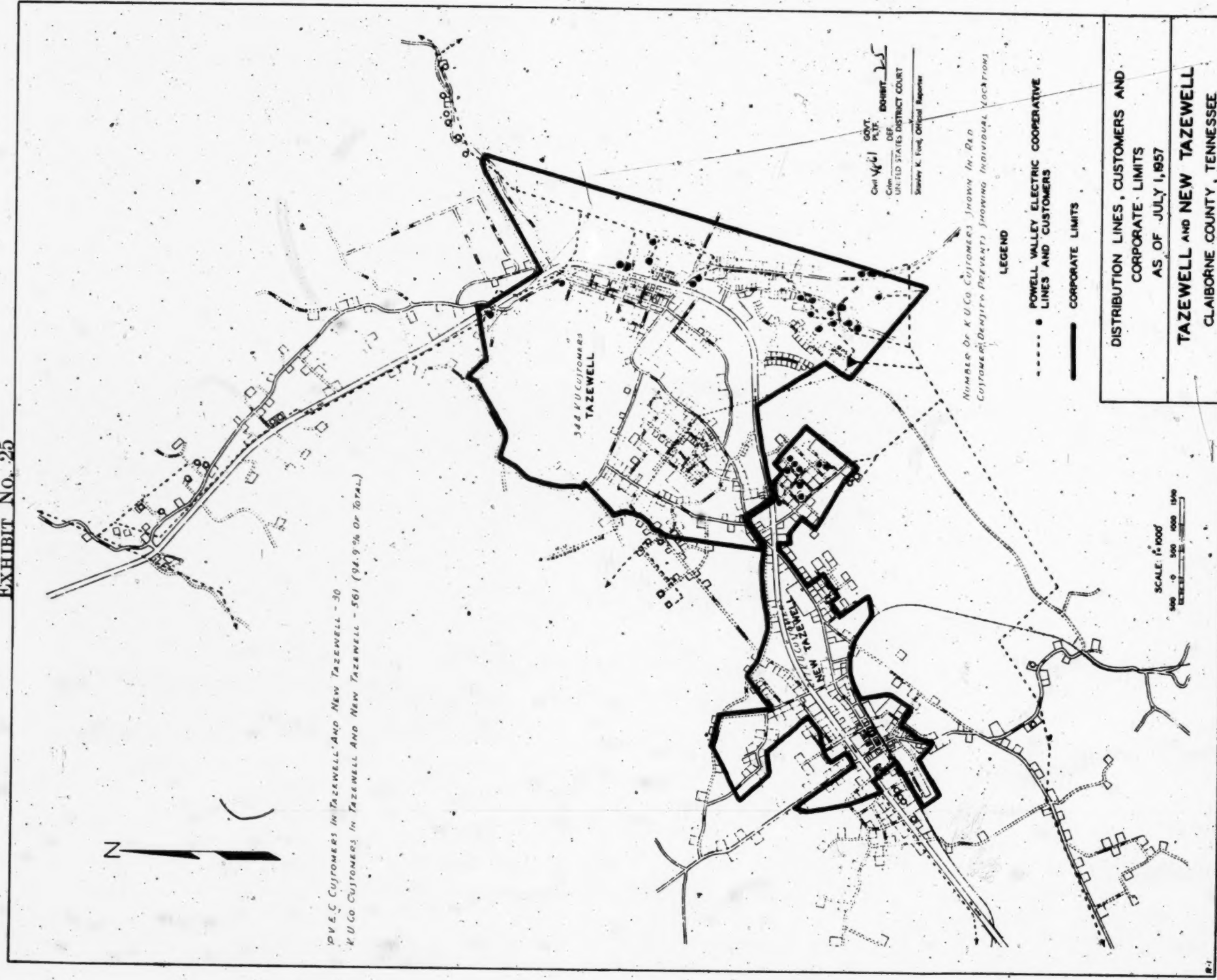
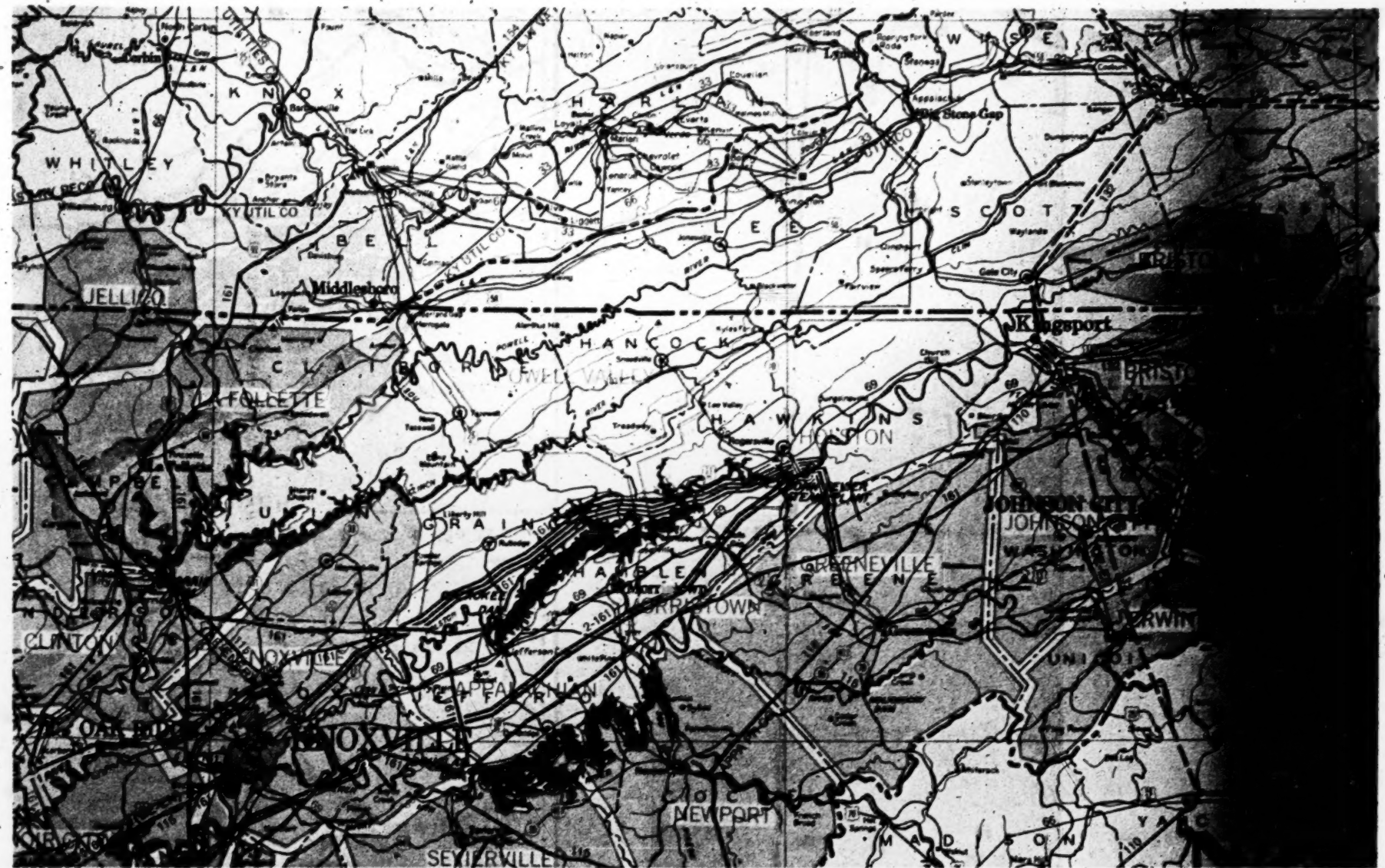


EXHIBIT No. 26

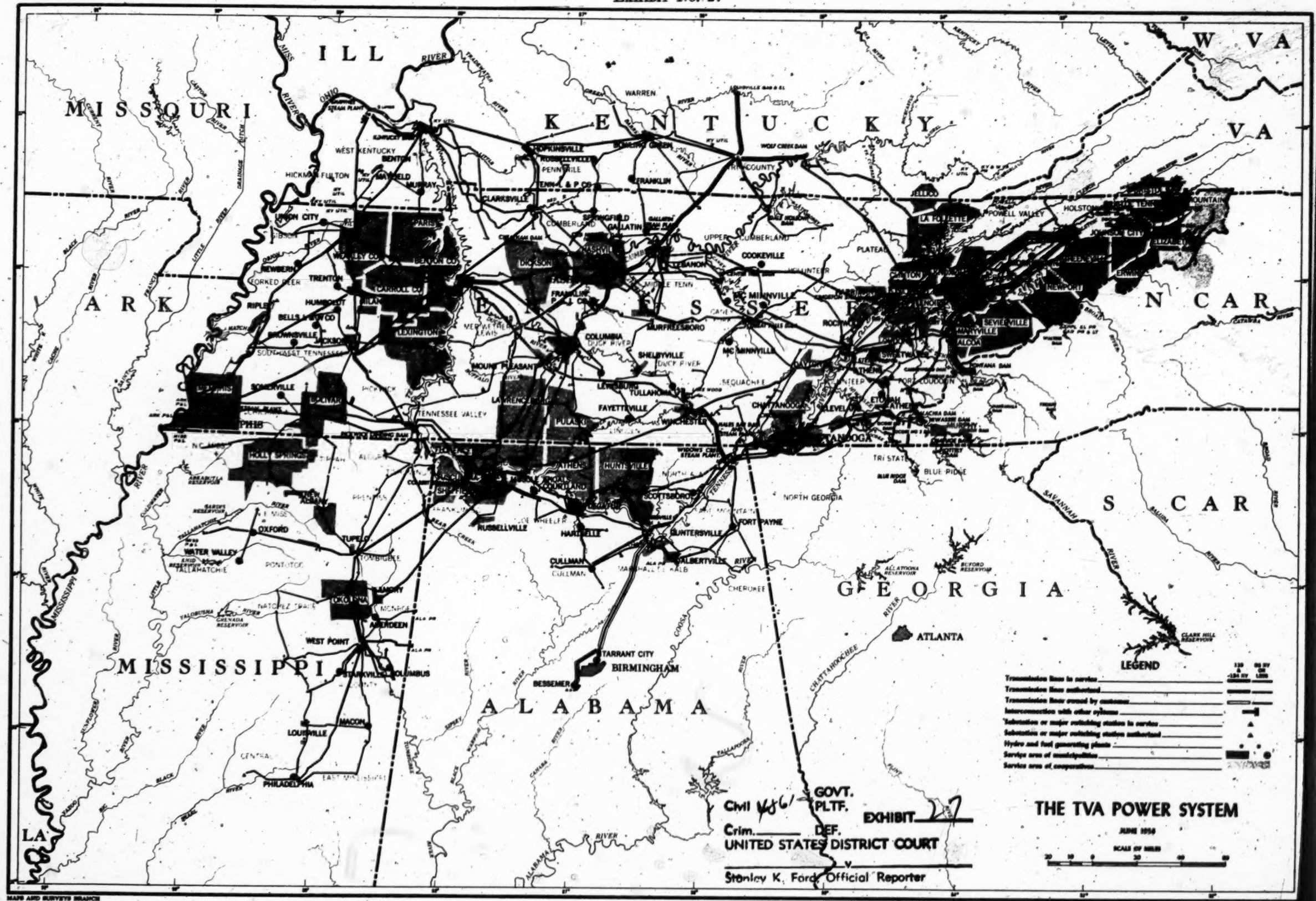


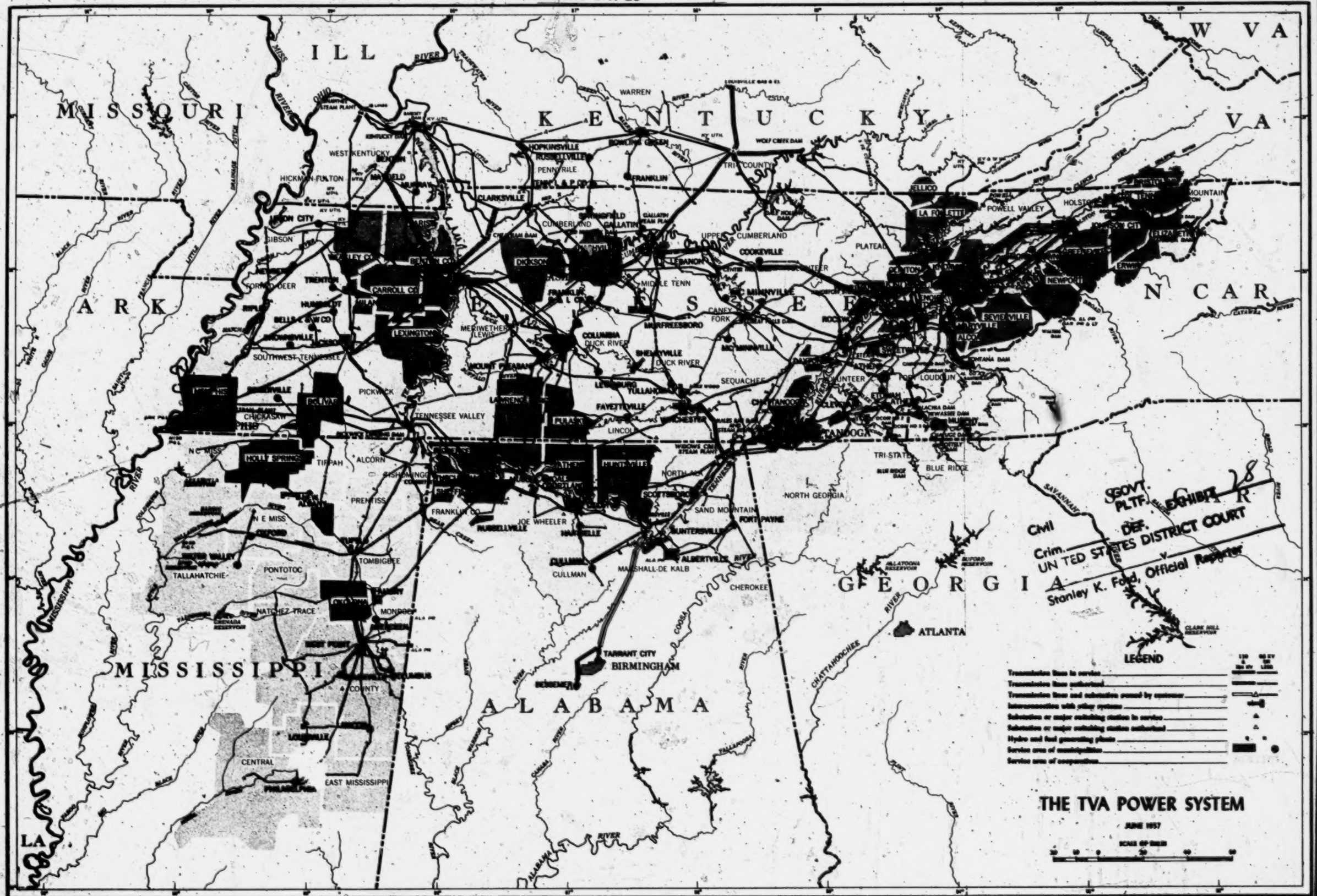
LEGEND

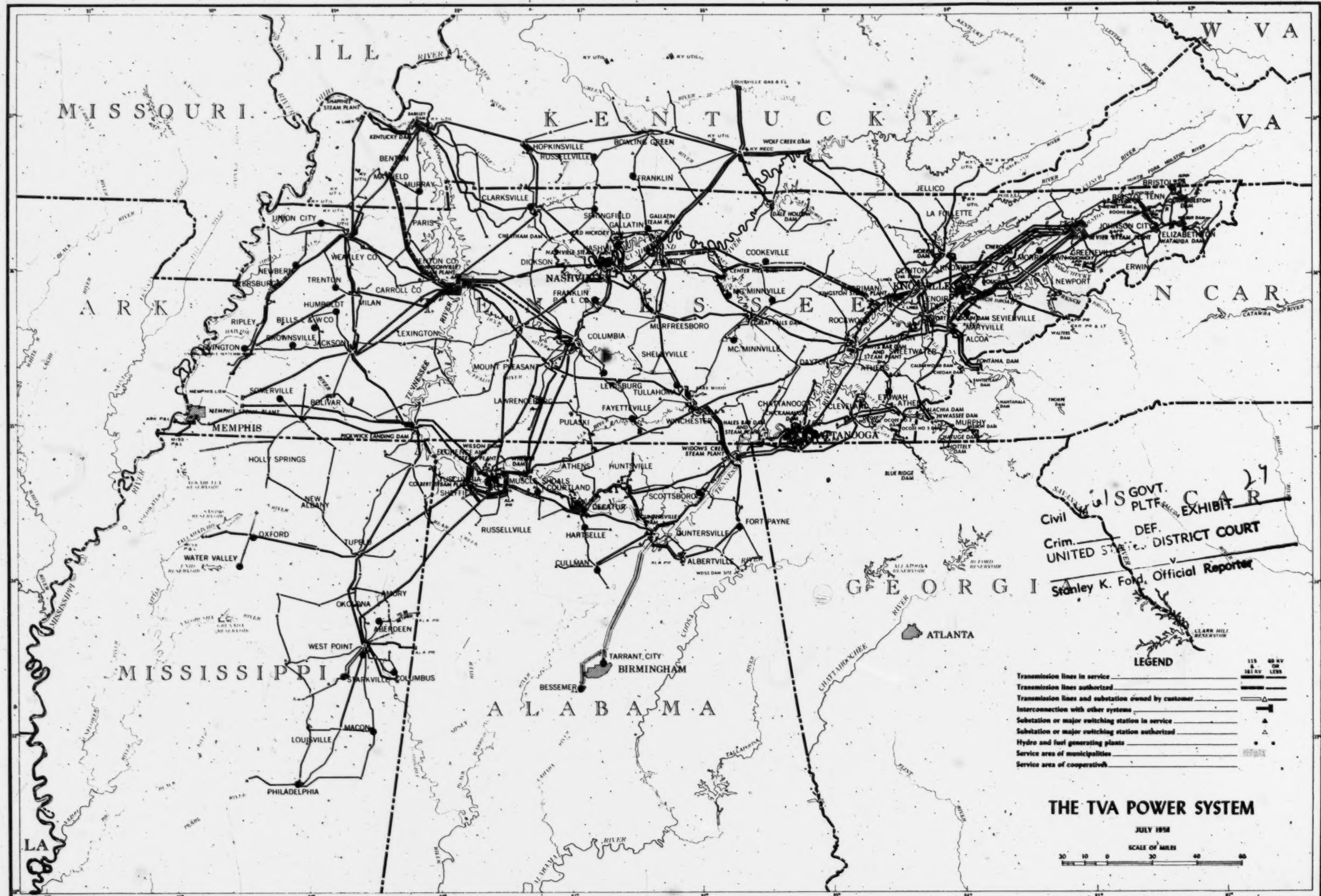
TRANSMISSION LINES IN SERVICE	—————
TRANSMISSION LINES UNDER CONSTRUCTION OR AUTHORIZED	-----
TRANSMISSION LINES IN SERVICE TO BE RETIRED
INTERCONNECTION WITH OTHER SYSTEMS	=====
SUBSTATION OR MAJOR SWITCHING STATION IN SERVICE	▲
SUBSTATION OR MAJOR SWITCHING STATION UNDER CONSTRUCTION OR AUTHORIZED	△
HYDRO GENERATING PLANTS	●
FUEL GENERATING PLANTS	■
PROPERTY OF TENNESSEE VALLEY AUTHORITY	—————
PROPERTY OF WHOLESALE CONTRACTORS	—————
PROPERTY OF PRIVATE UTILITIES	—————
SERVICE AREAS OF MUNICIPALITIES	—————
SERVICE AREAS OF COOPERATIVES	—————

TENNESSEE VALLEY AUTHORITY
OFFICE OF POWER

TRANSMISSION SYSTEM







Civil U.S. GOVT. PLTFF. CA 29
 Crim. DEF.
 UNITED STATES DISTRICT COURT
 Stanley K. Ford, Official Reporter

LEGEND

Transmission lines in service	115 KV OR LESS
Transmission lines authorized	161 KV OR LESS
Transmission lines and substation owned by customer	
Interconnection with other systems	
Substation or major switching station in service	
Substation or major switching station authorized	
Hydro and fuel generating plants	
Service area of municipalities	
Service area of cooperative	

THE TVA POWER SYSTEM

JULY 1938

SCALE OF MILES



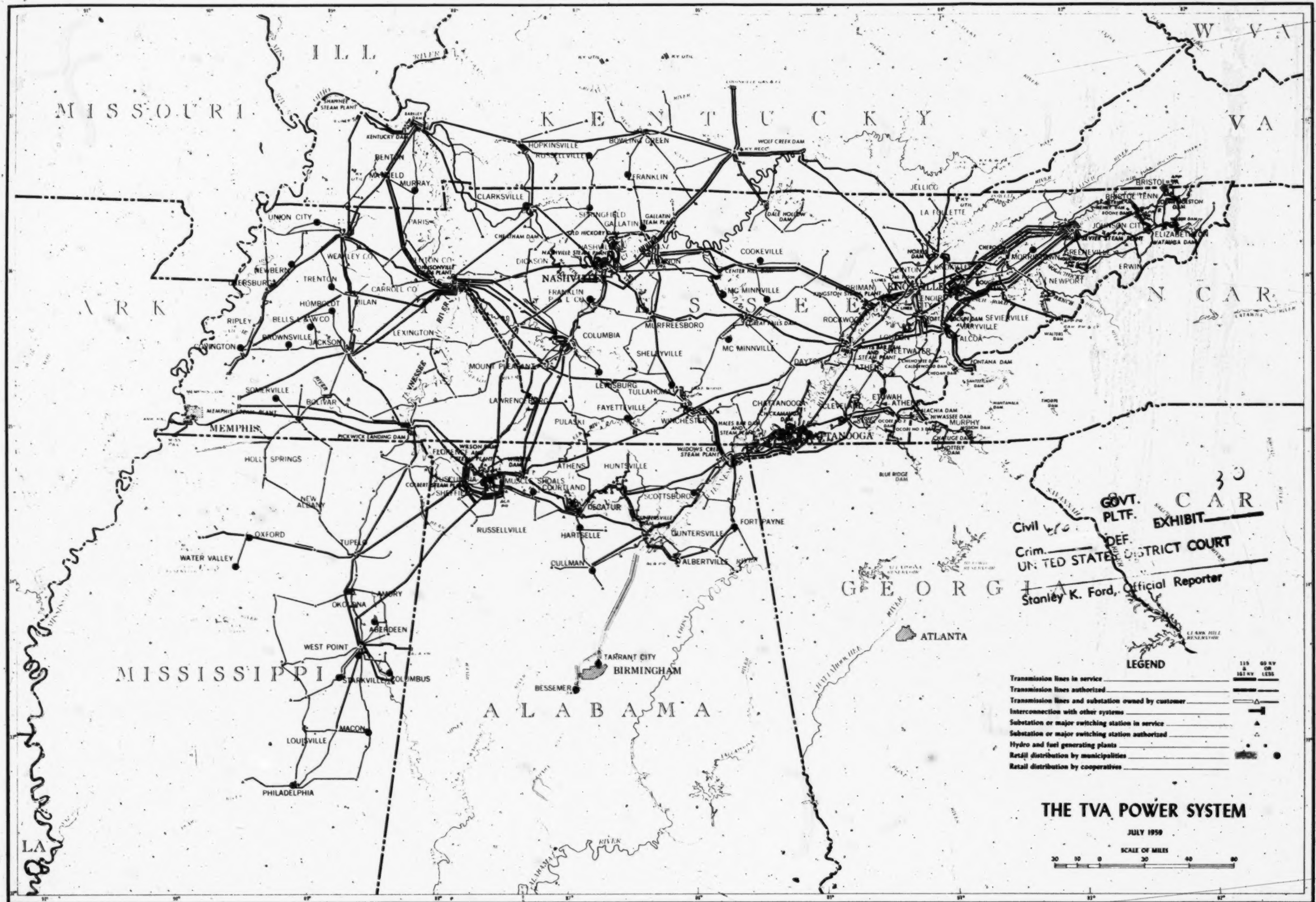


EXHIBIT No. 31

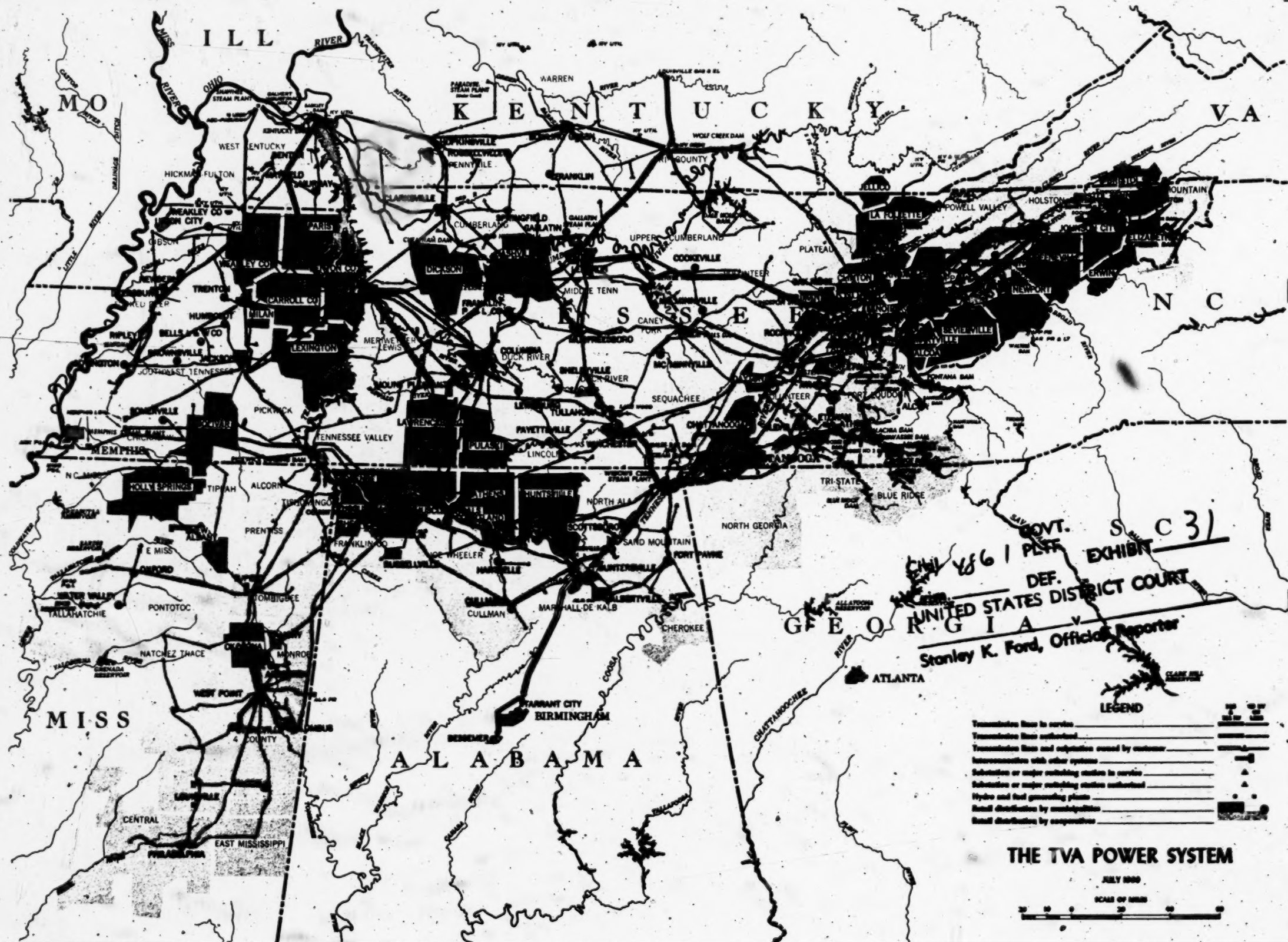


EXHIBIT No. 32

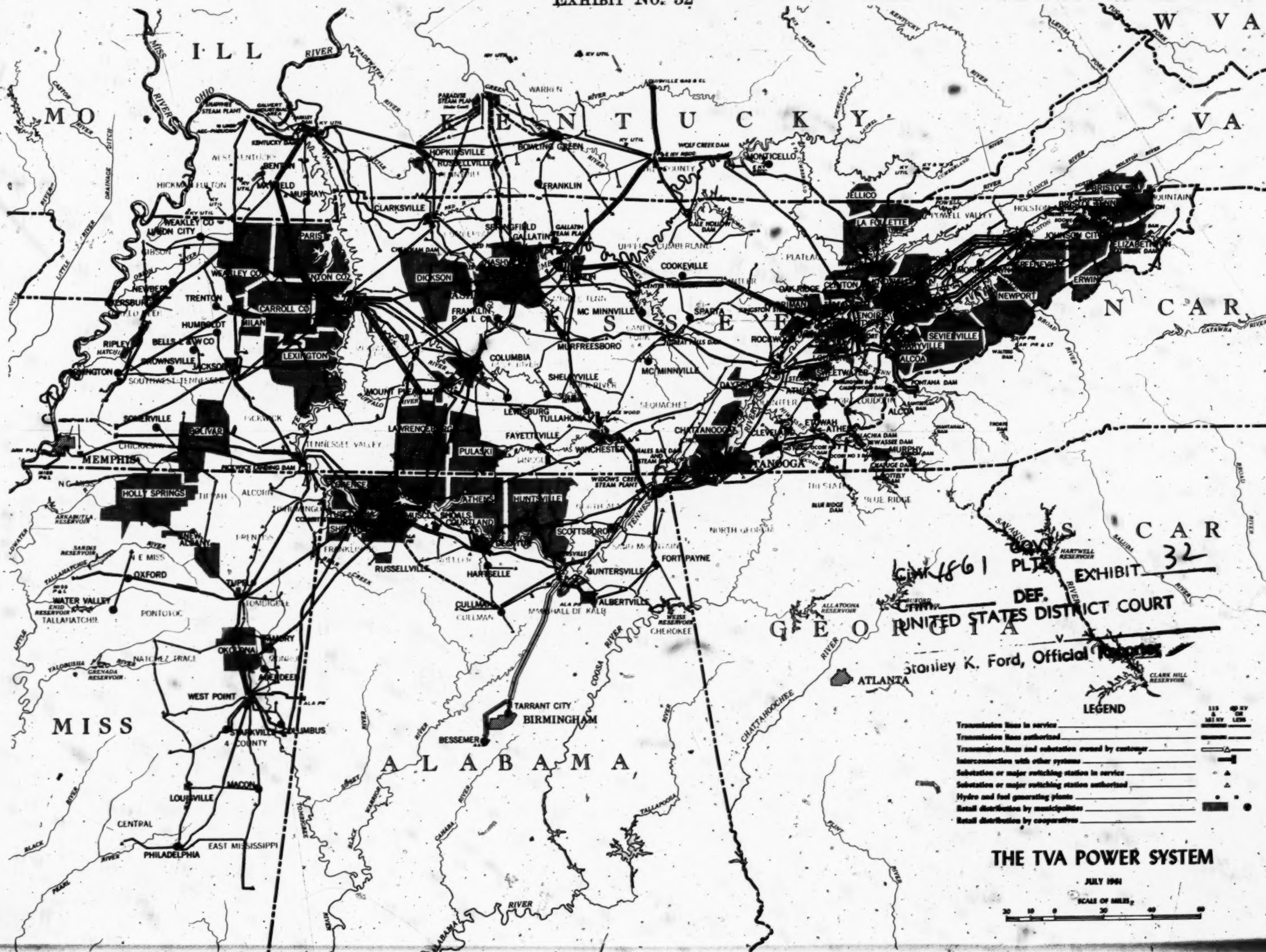


EXHIBIT 32
DEF.
UNITED STATES DISTRICT COURT
Stanley K. Ford, Official Reporter

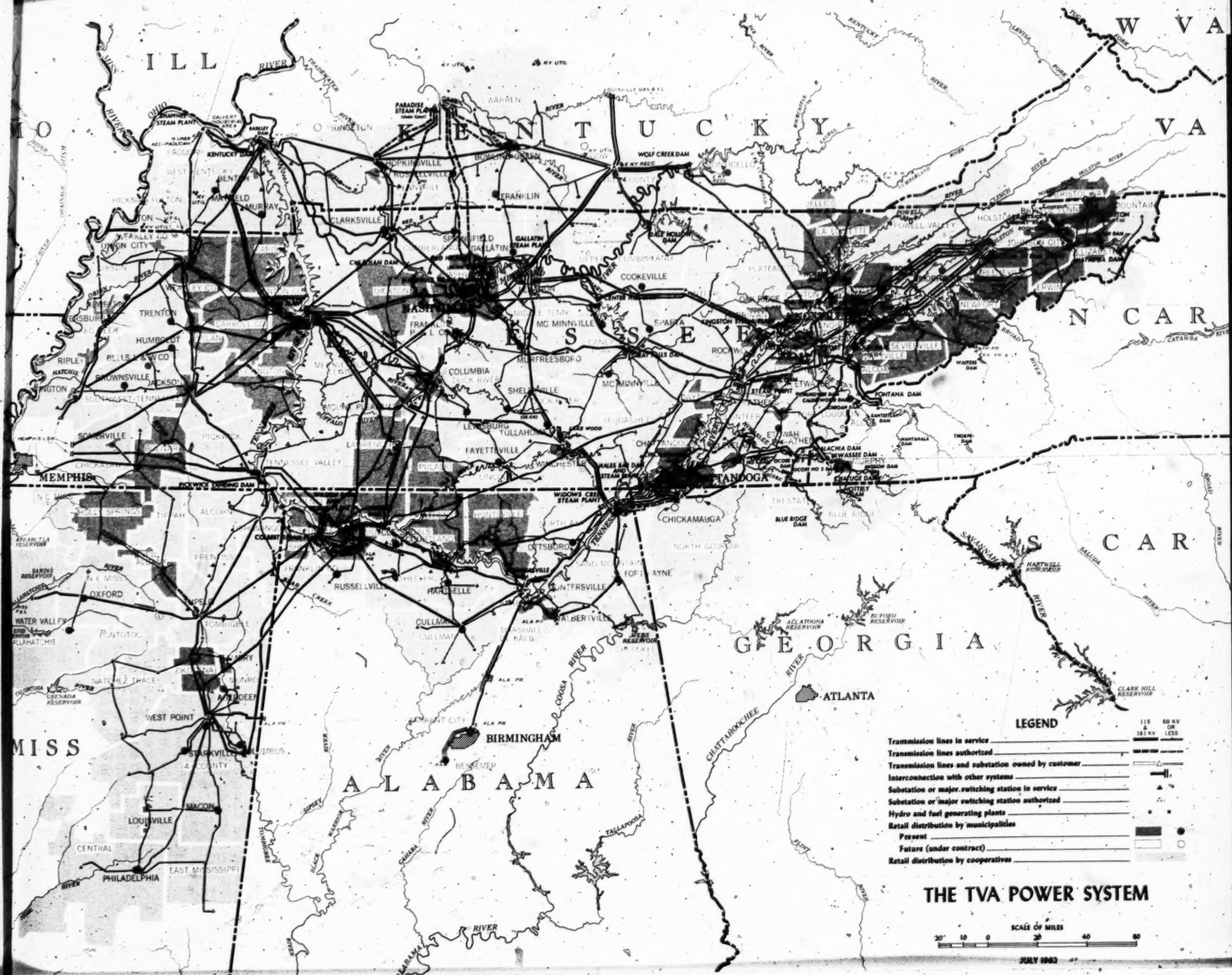


EXHIBIT III RATES

RETAIL RATES

(NORRIS CENTENNIAL RATES)

Lowest Level

Second Intermediate Level

RESIDENTIAL SERVICE

Rate R-1

Charge per kwh:
First 100 kwh at 2.0 cents
Next 250 kwh at 1.0 cent
Next 700 kwh at 0.4 cent
Additional kwh at 0.7 cent

Rate R-2

Charge per kwh:
First 100 kwh at 2.0 cents
Next 150 kwh at 1.0 cent
Next 650 kwh at 0.4 cent
Additional kwh at 0.675 cent

Rate G-1

0-50 kw Demand

Demand Charge:
First 10 kw, No Charge
Add't'l kw at \$0.80 per kw
Energy Charge per kwh:
First 200 kwh at 2.0 cents
Next 300 kwh at 1.5 cents
Next 1,000 kwh at 1.0 cent
Next 8,500 kwh at 0.7 cent
Additional kwh at 0.45 cent

Rate G-2

0-50 kw Demand

Demand Charge:
First 10 kw, No Charge
Add't'l kw at \$0.75 per kw
Energy Charge per kwh:
First 200 kwh at 2.0 cents
Next 300 kwh at 1.25 cents
Next 1,500 kwh at 0.85 cent
Next 8,000 kwh at 0.65 cent
Additional kwh at 0.40 cent

50-5,000 kw Demand

Demand Charge:
First 100 kw at \$0.80
Add't'l kw at \$1.00
Energy Charge per kwh:
First 10,000 kwh at 70 cent
Next 30,000 kwh at 45 cent
Next 60,000 kwh at 40 cent
Next 400,000 kwh at 30 cent
Additional kwh at 275 cent
Rate also includes a fuel clause.

50-5,000 kw Demand

Demand Charge:
First 100 kw at \$0.75
Add't'l kw at \$1.00
Energy Charge per kwh:
First 10,000 kwh at 0.65 cent
Next 90,000 kwh at 0.40 cent
Next 400,000 kwh at 0.30 cent
Additional kwh at 0.275 cent
Rate also includes a fuel clause.

Over 5,000 kw Demand

Demand Charge: \$1.00 per kw
Energy Charge: 0.275 cents per kw
There is a rental charge for service at voltages below 44 kv; there is also a fuel clause.

Over 5,000 kw Demand

Demand Charge: \$1.00 per kw
Energy Charge: 0.275 cent per kwh
There is a rental charge for service at voltages below 44 kv; there is also a fuel clause.

Rate OL-1

(Part A)

Street and park lighting, signal systems, and athletic field lighting installations.

Investment Charge: 10% per annum; may be modified to not less than 8%.

Energy Charge per kwh:
First 200 kwh at 2.0 cents
Next 300 kwh at 1.5 cents
Next 1,000 kwh at 1.0 cent
Next 8,500 kwh at 0.8 cent
Next 90,000 kwh at 0.7 cent
Additional kwh at 0.6 cent

(Part B)

Distributor will install outdoor lighting for individual customer at a flat monthly charge varying from \$1.85 to \$3.60, depending on fixture.

Rate OL-1

(Part A)

Street and park lighting, signal systems, and athletic field lighting installations.

Investment Charge: 10% per annum; may be modified to not less than 8%.

Energy Charge per kwh:
First 200 kwh at 2.0 cents
Next 300 kwh at 1.5 cents
Next 1,000 kwh at 1.0 cent
Next 8,500 kwh at 0.8 cent
Next 90,000 kwh at 0.7 cent
Additional kwh at 0.6 cent

(Part B)

Distributor will install outdoor lighting for individual customer at a flat monthly charge varying from \$1.85 to \$3.60, depending on fixture.

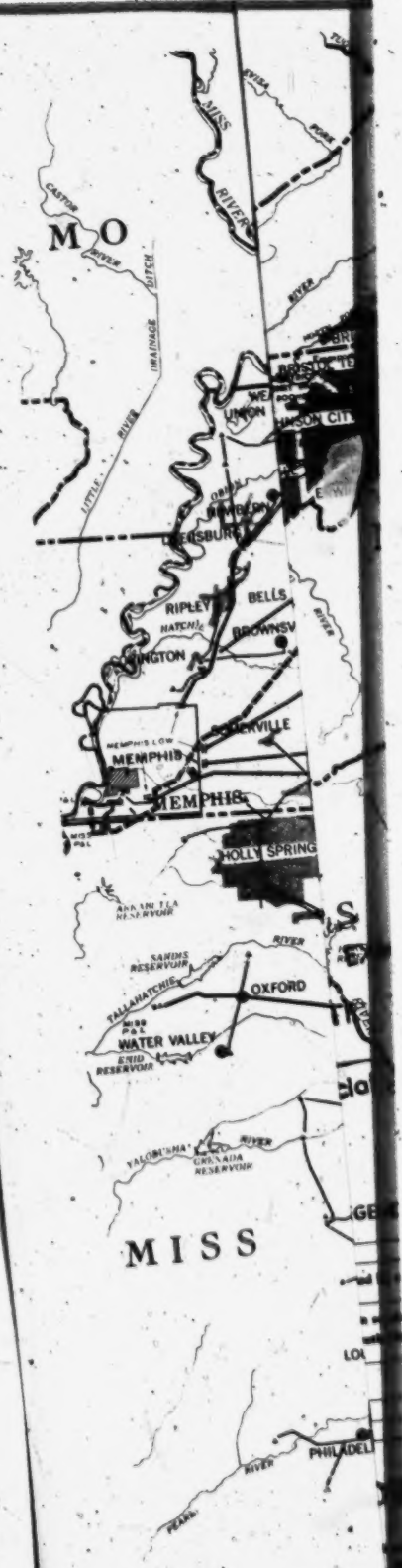
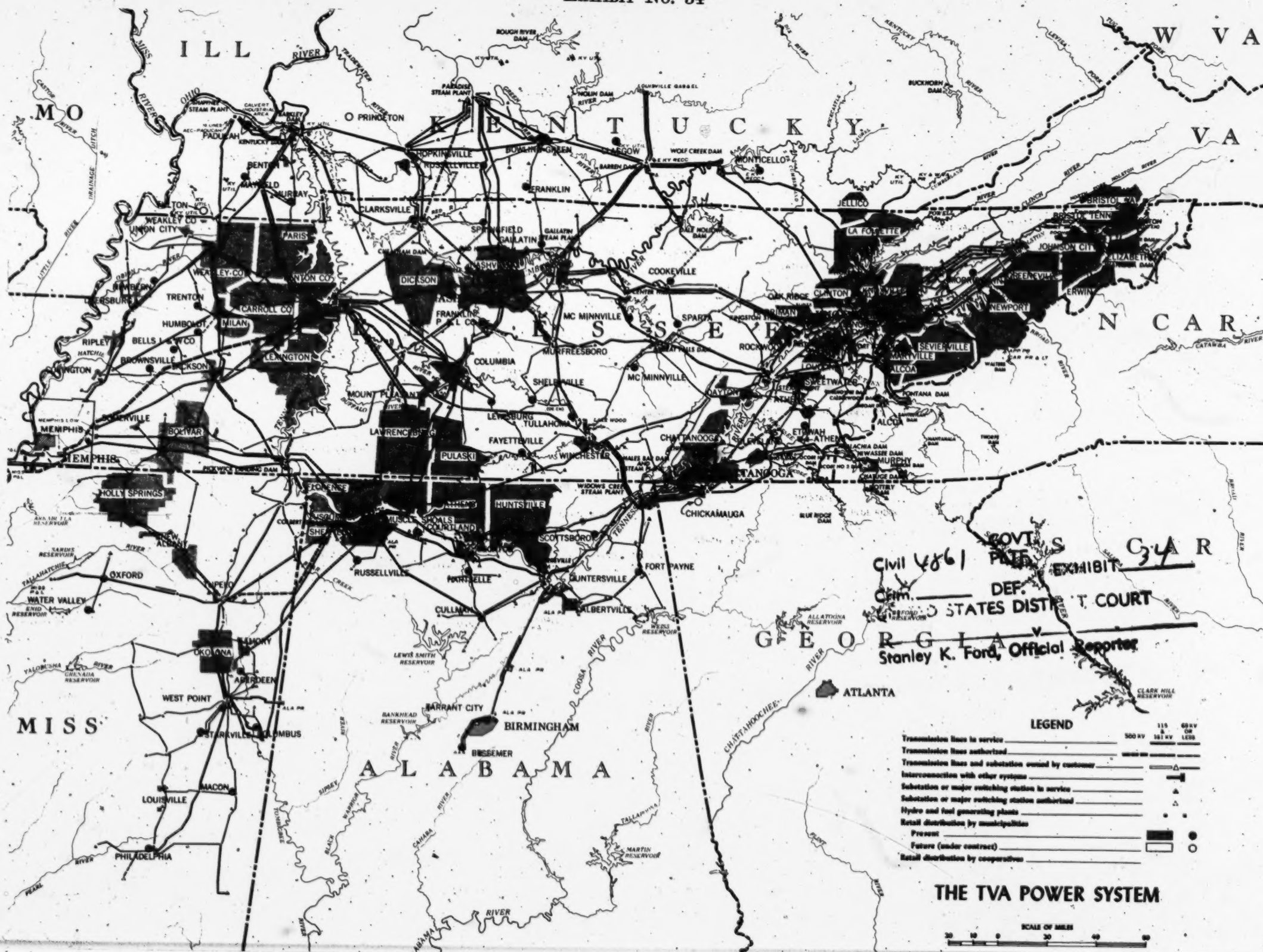


EXHIBIT No. 34

71



Civil 4861 PAT. EXHIBIT 34 R
 CHM. DEF. STATES DIST. T. COURT
 Stanley K. Ford, Official Reporter

LEGEND

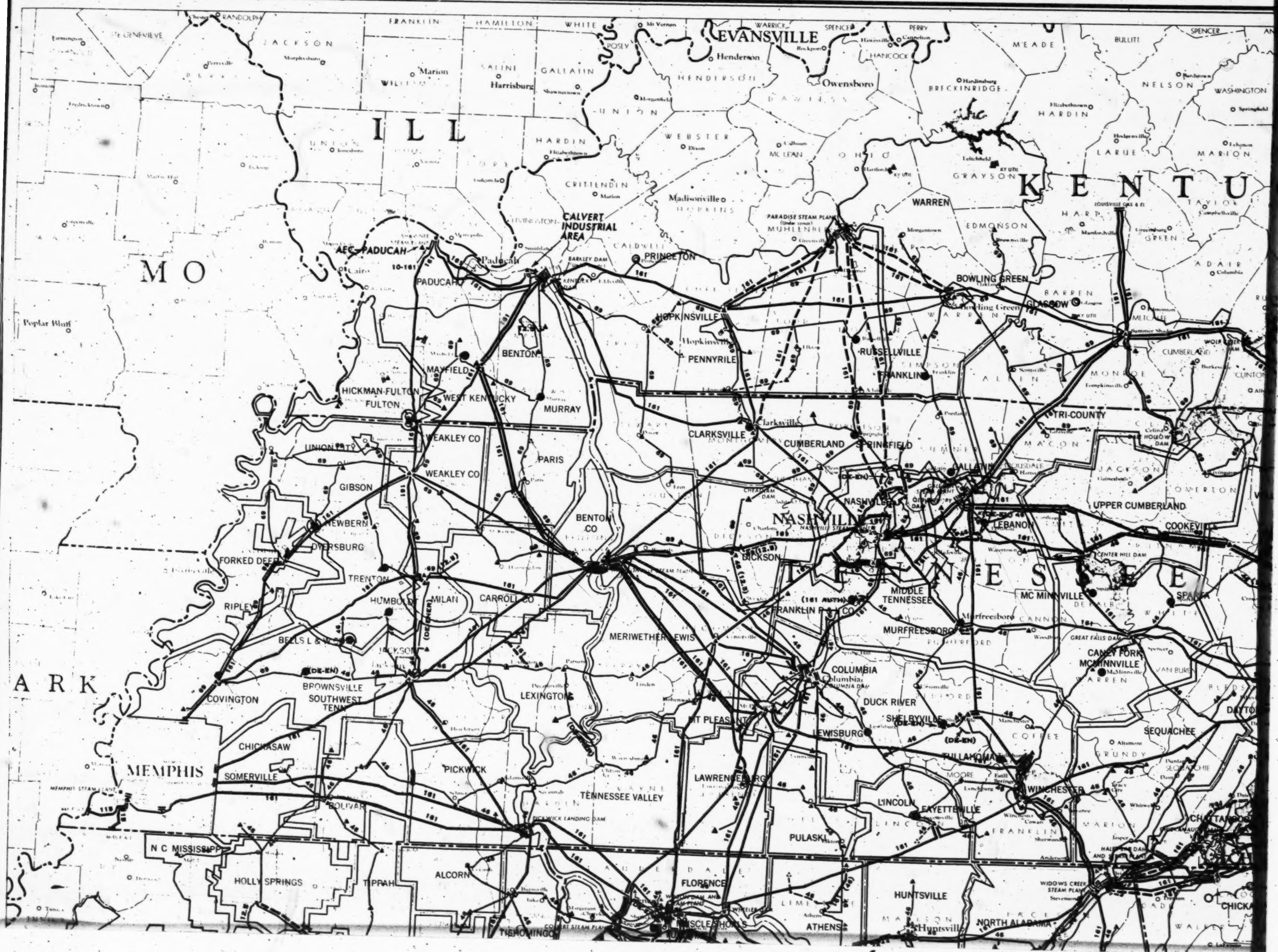
Transmission lines to service	500 KV	115 KV	60 KV
Transmission lines authorized	500 KV	115 KV	60 KV
Transmission lines and substation owned by customer	500 KV	115 KV	60 KV
Interconnection with other systems	500 KV	115 KV	60 KV
Substation or major switching station to service	500 KV	115 KV	60 KV
Substation or major switching station authorized	500 KV	115 KV	60 KV
Hydro and fuel generating plants	500 KV	115 KV	60 KV
Retail distribution by municipalities	500 KV	115 KV	60 KV
Present	500 KV	115 KV	60 KV
Future (under contract)	500 KV	115 KV	60 KV
Retail distribution by cooperative	500 KV	115 KV	60 KV

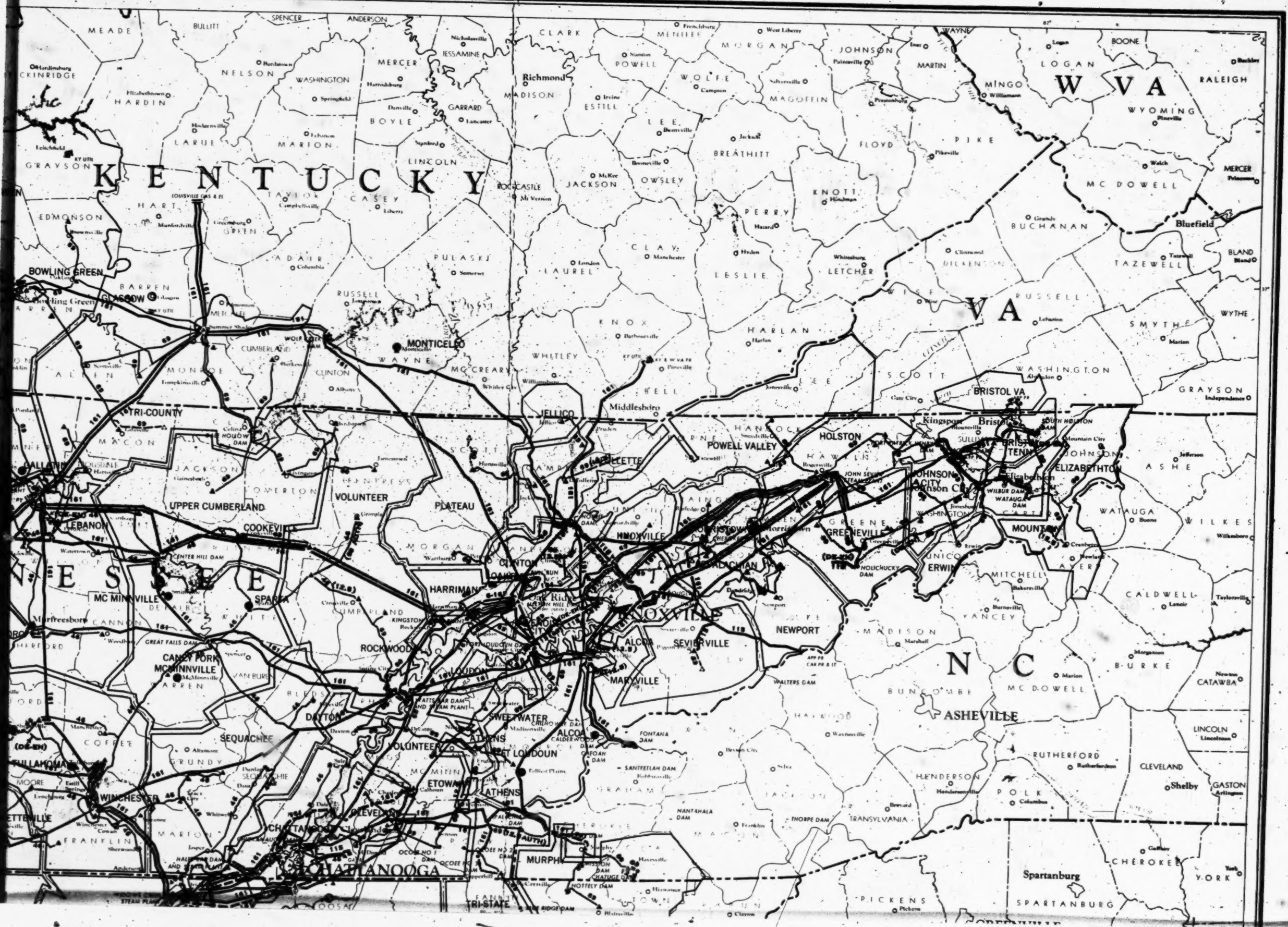
THE TVA POWER SYSTEM

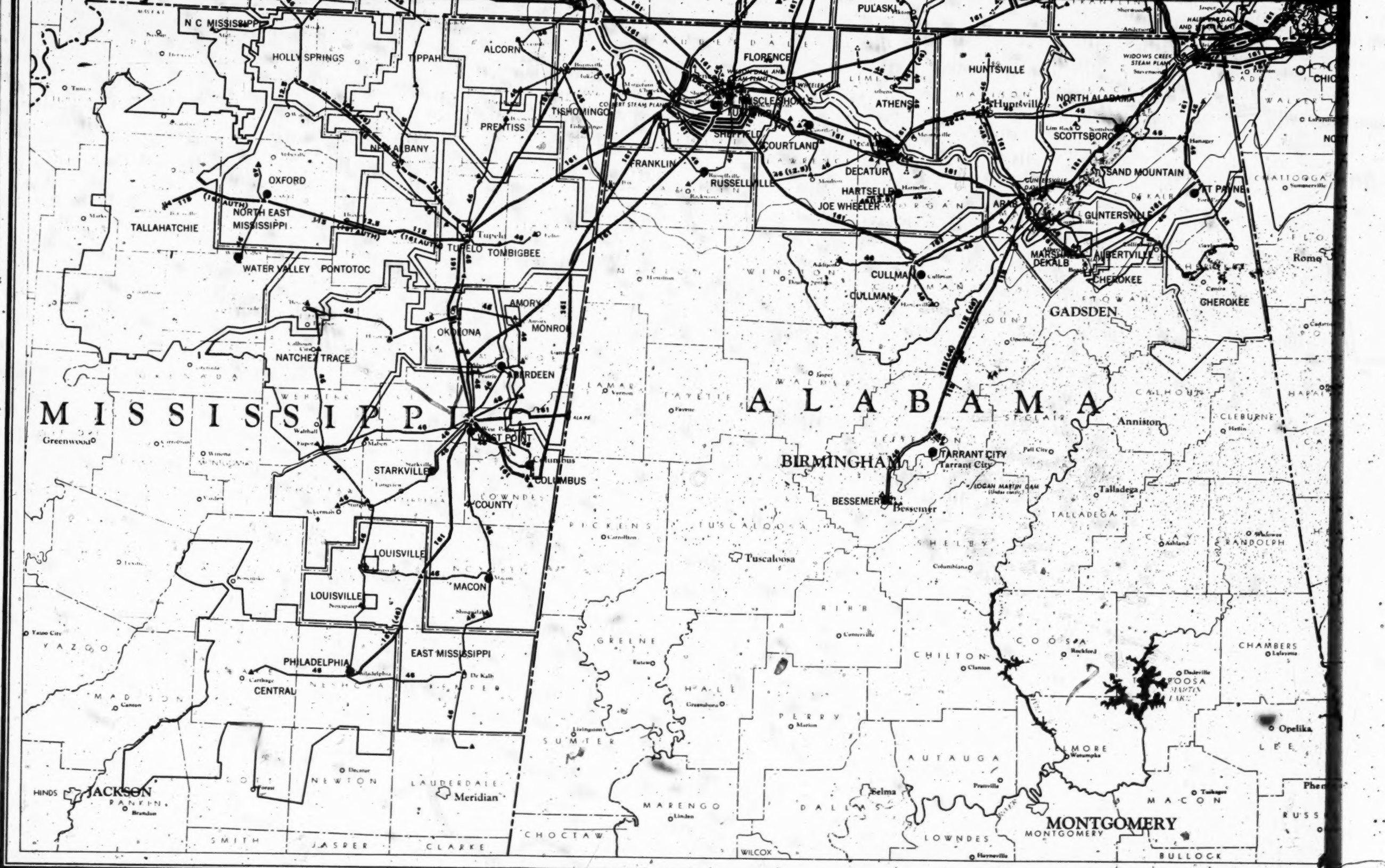


monthly charge varying from \$1.85 to \$3.60, depending on fixture.

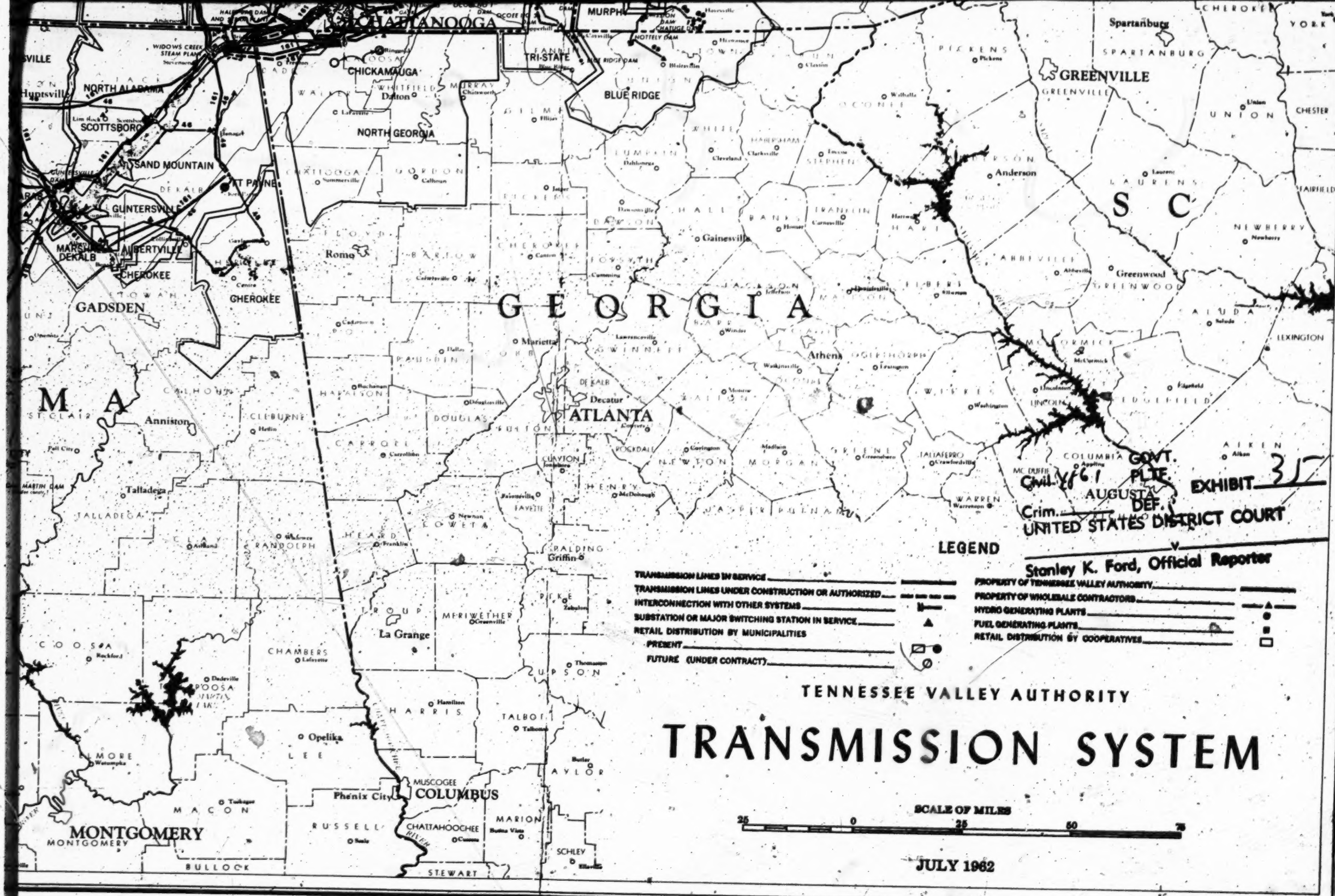
monthly charge varying from \$1.85 to \$3.60, depending on fixture.







Maps and Surveys Branch



GOVT. PLE.
CIVIL 1961
AUGUSTA DEF.
Crim.
UNITED STATES DISTRICT COURT

EXHIBIT 317

Stanley K. Ford, Official Reporter

[fol. 1209] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 36

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee

June 18, 1952.

Mr. N. P. Taylor, Chief Power Engineer
Kentucky Utilities Company, Inc.
159 West Main Street
Lexington 3, Kentucky

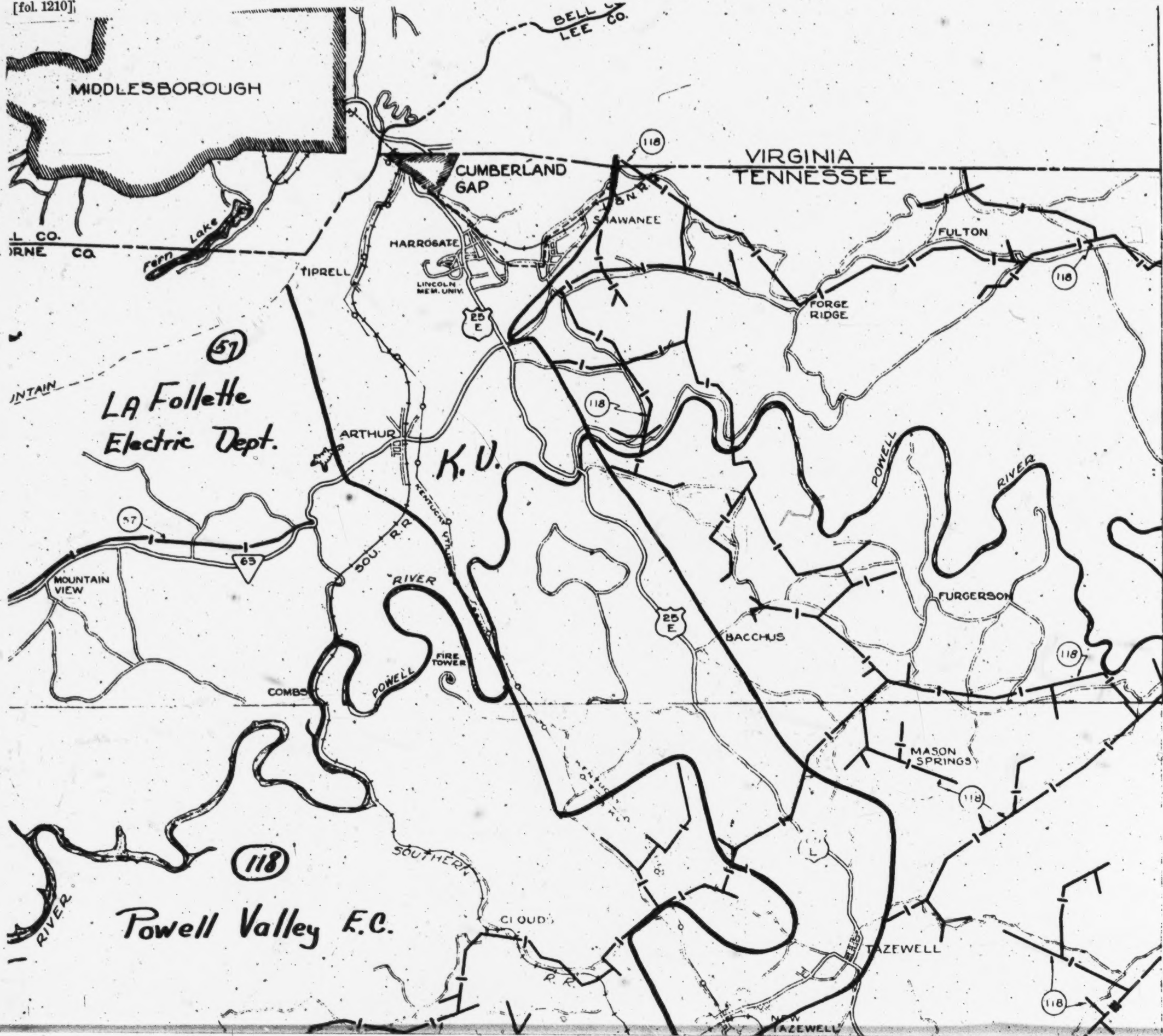
Dear Mr. Taylor:

I am attaching map made up of our LC-7000 series of distribution maps showing the areas now served by the LaFollette Electric Department, the Powell Valley Electric Co-operative, and the Kentucky Utilities in the Cumberland Gap-Tazewell section of Tennessee.

These maps are easy for us to reproduce if it becomes necessary to have copies made.

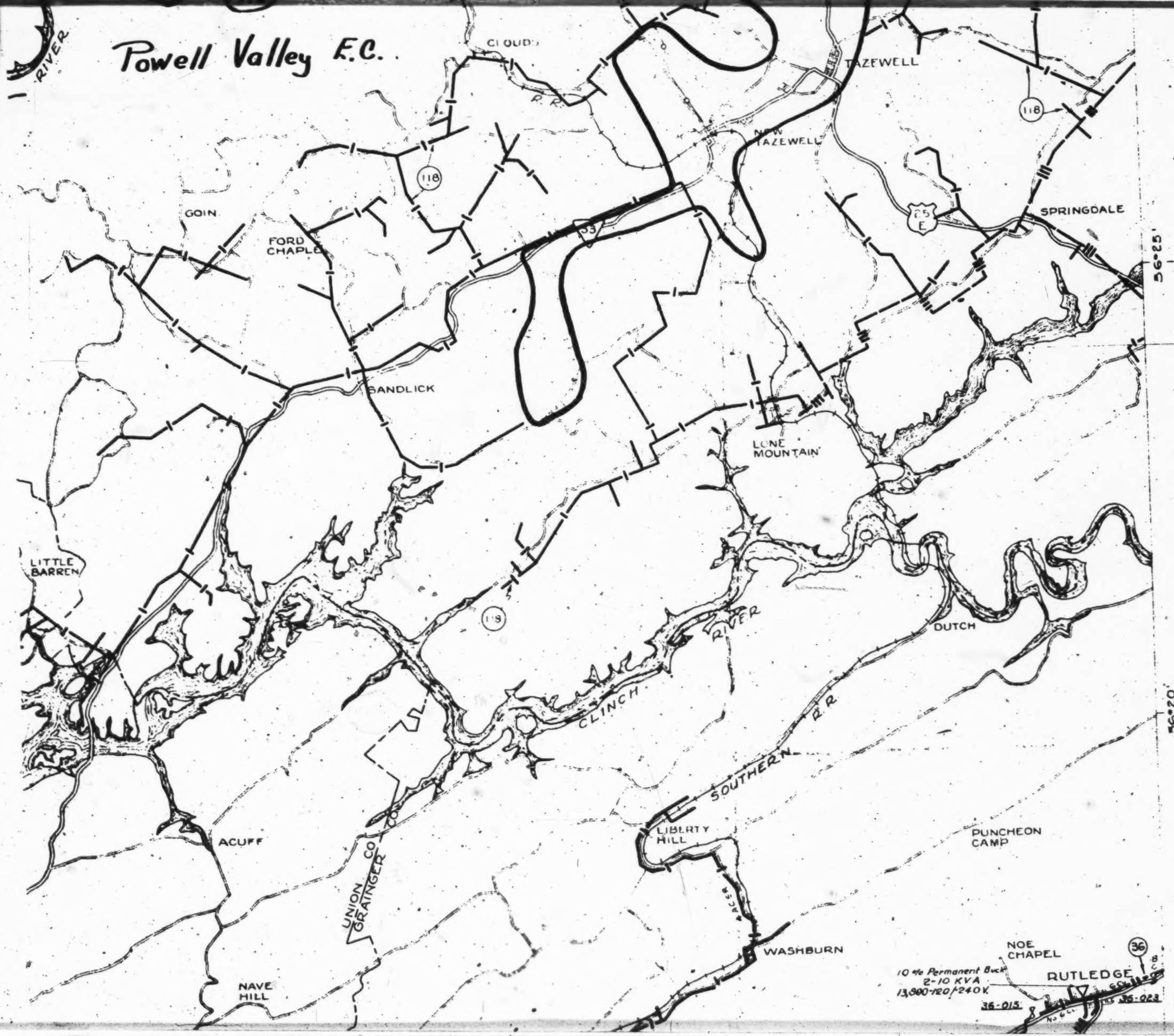
Very truly yours, Tennessee Valley Authority, Mer-
rill DeMerit, Chief Power Engineer

Attachment



36° 35'

36° 30' 30"



Powell Valley F.C.

RIVER

CLOUD

P.R.

TAZEWELL

118

NEW TAZEWELL

GOIN

FORD CHAPLE

25 E

SPRINGDALE

56°25'

SANDLICK

LONE MOUNTAIN

LITTLE BARREN

118

CLINCH RIVER

DUTCH

56°20'

ACUFF

UNION CO GRAINGER

SOUTHERN R.R.

LIBERTY HILL

PUNCHEON CAMP

NAVE HILL

WASHBURN

NOE CHAPEL

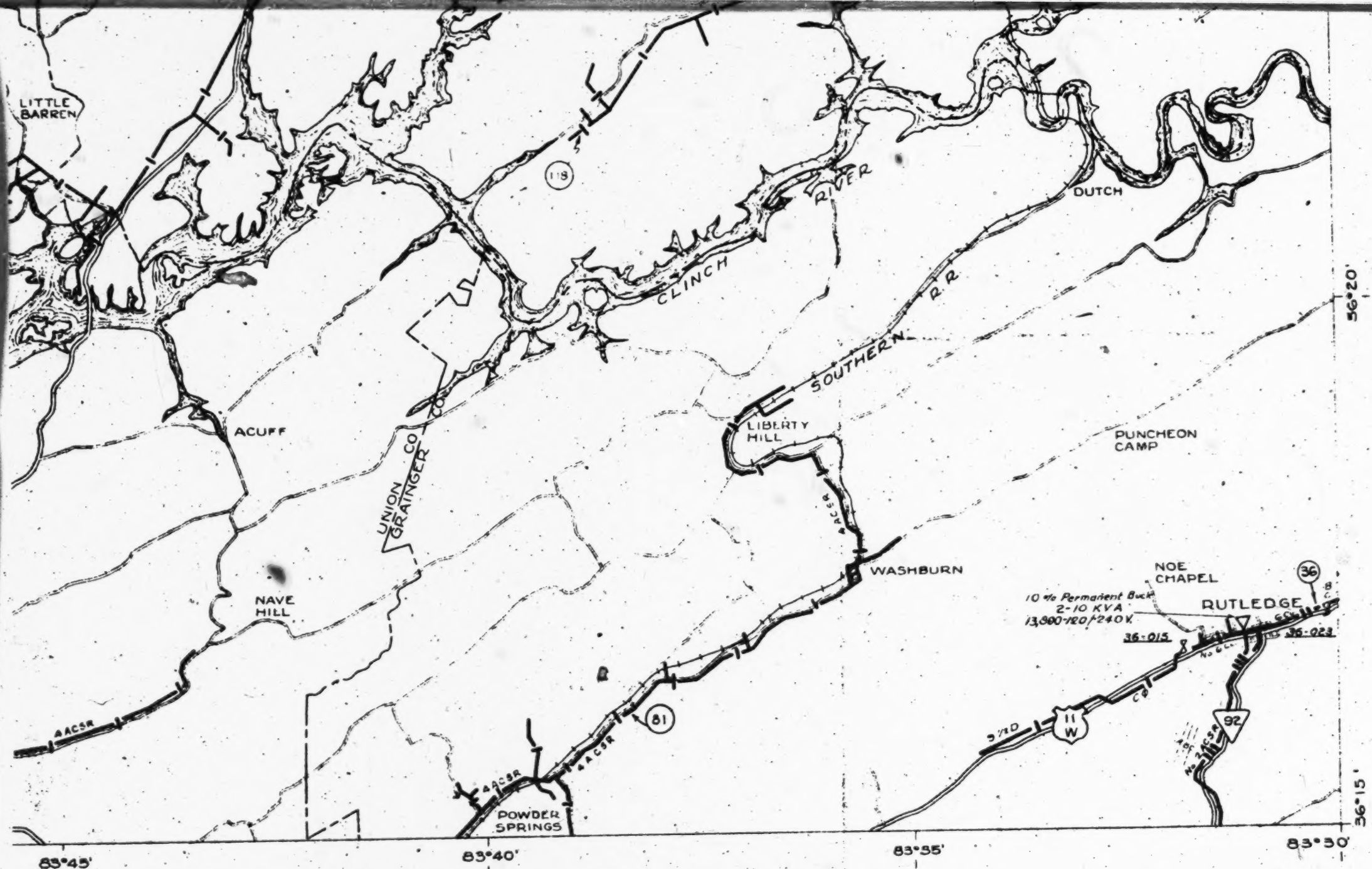
RUTLEDGE

36

10 % Permanent Buck
2-10 KVA
13,000-120/240V

36-015

36-023

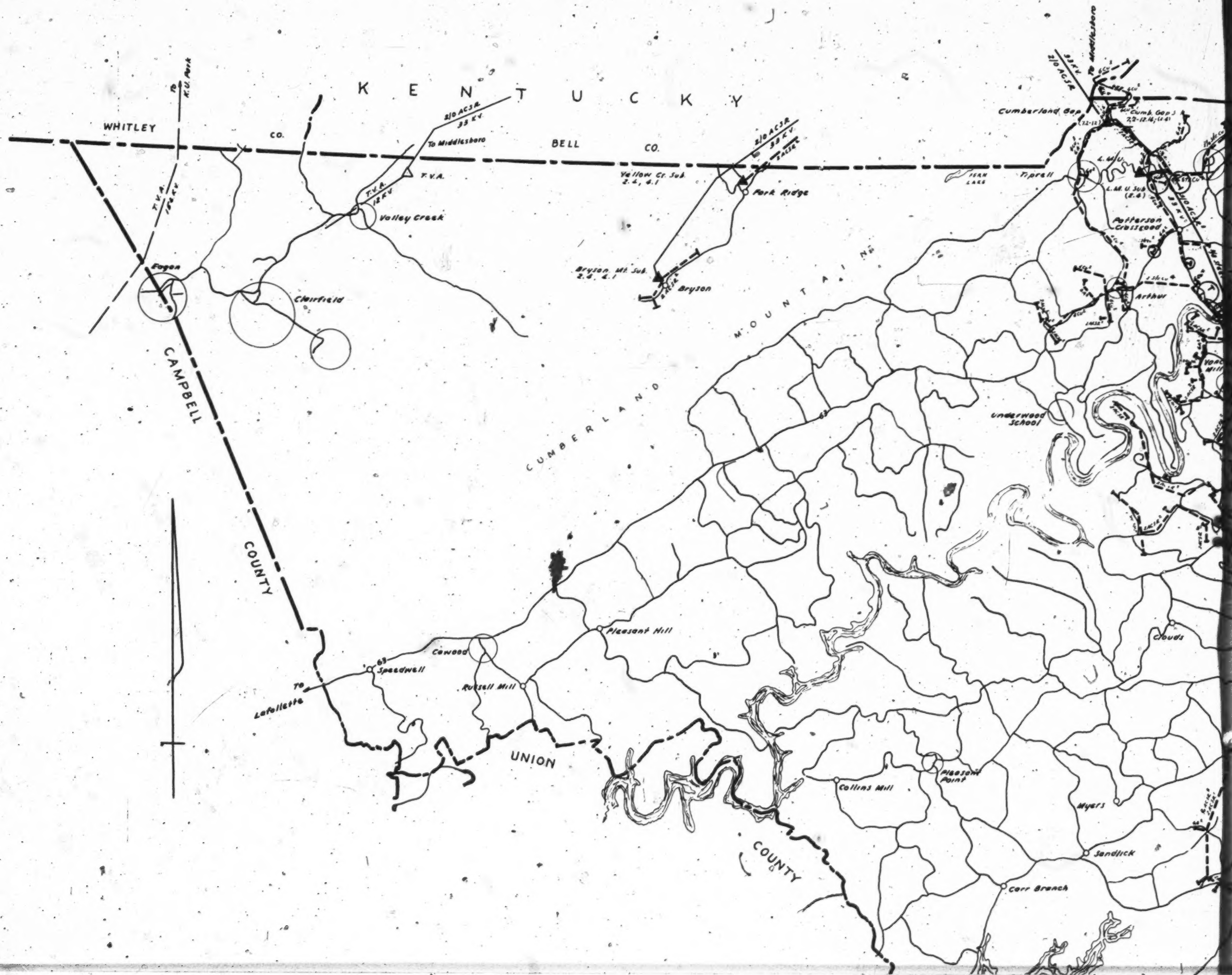


**COOPERATIVES AND MUNICIPALITIES OPERATING
RURAL DISTRIBUTION LINES IN THIS AREA**

- (36) APPALACHIAN ELECTRIC COOPERATIVE
- (81) KNOXVILLE ELECTRIC POWER AND WATER BOARD
- (57) LA FOLLETTE ELECTRIC DEPT.
- (118) POWELL VALLEY ELECTRIC COOPERATIVE

General Revision	2045	JH

TENNESSEE VALLEY AUTHORITY			
DEPARTMENT OF OPERATIONS			
TRANSMISSION AND RURAL DISTRIBUTION LINES			
IN CAMPBELL, CLAIBORNE, UNION AND GRAINGER COUNTIES, TENNESSEE			
DATE: 11-30-44	SUBMITTED: <i>F. J. Thompson</i>	APPROVED: <i>H. H. Weber</i>	36-8
DRAWN: Z.K.S.			
TRACED: Z.K.S.			
CHECKED:			

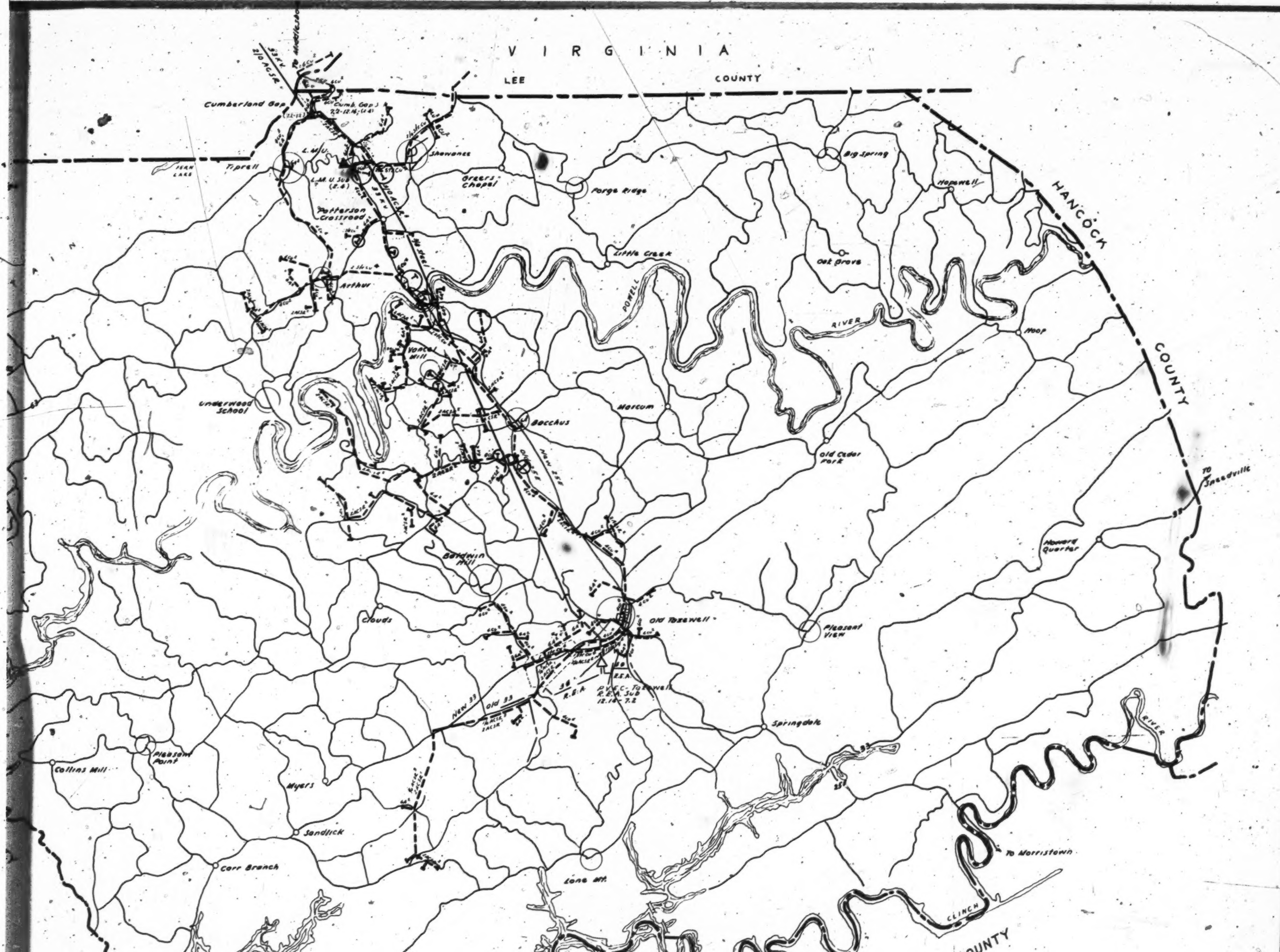


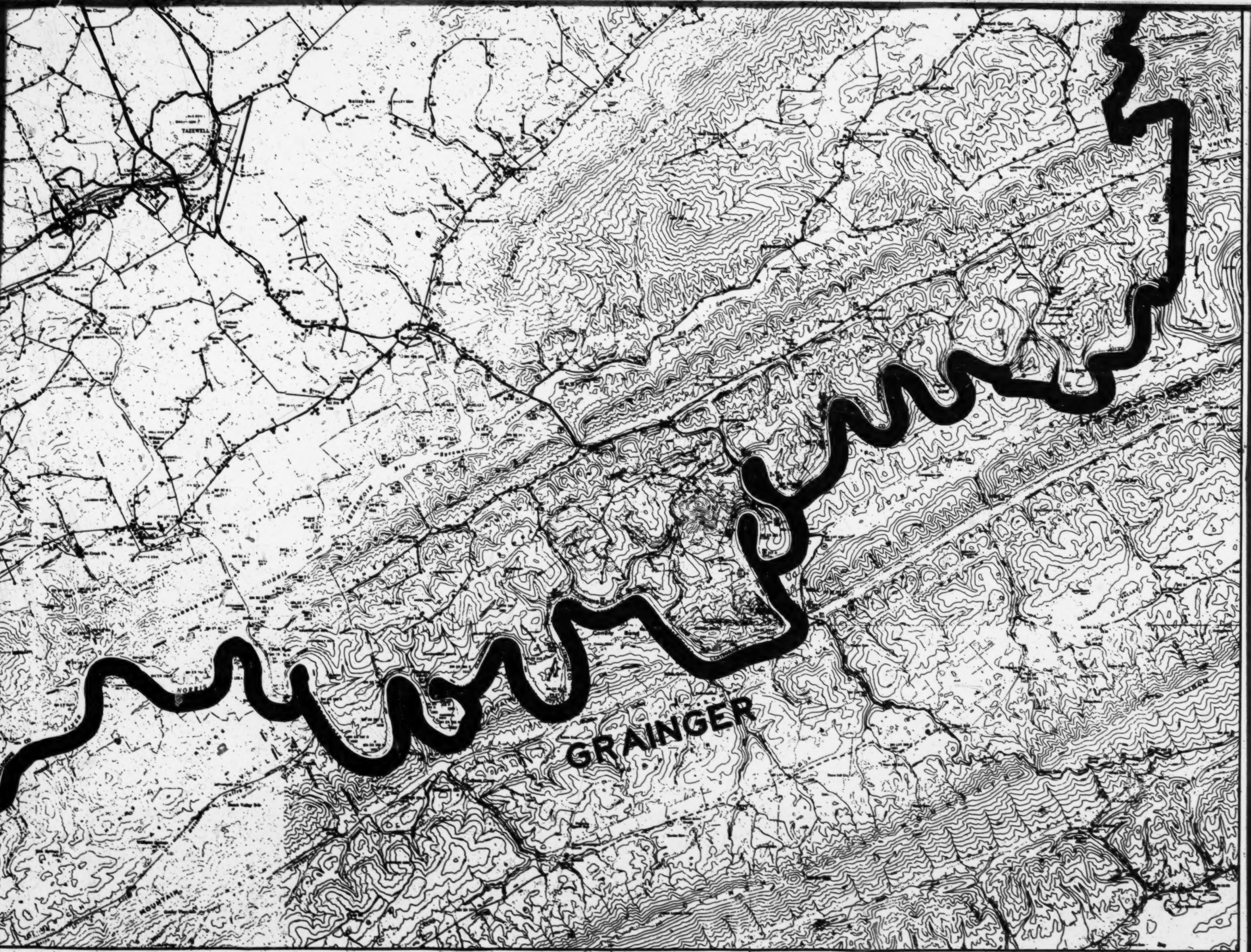
VIRGINIA

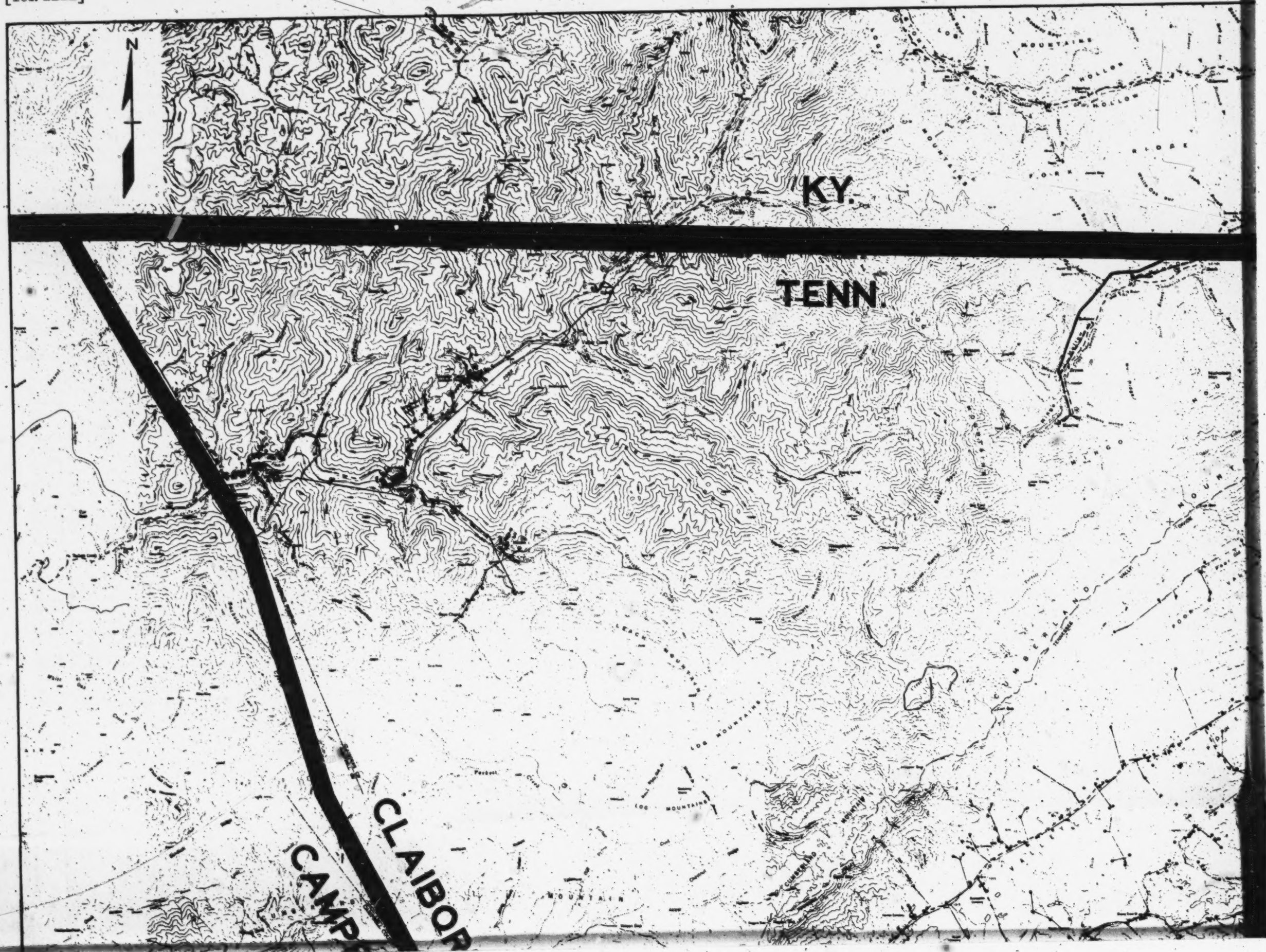
LEE COUNTY

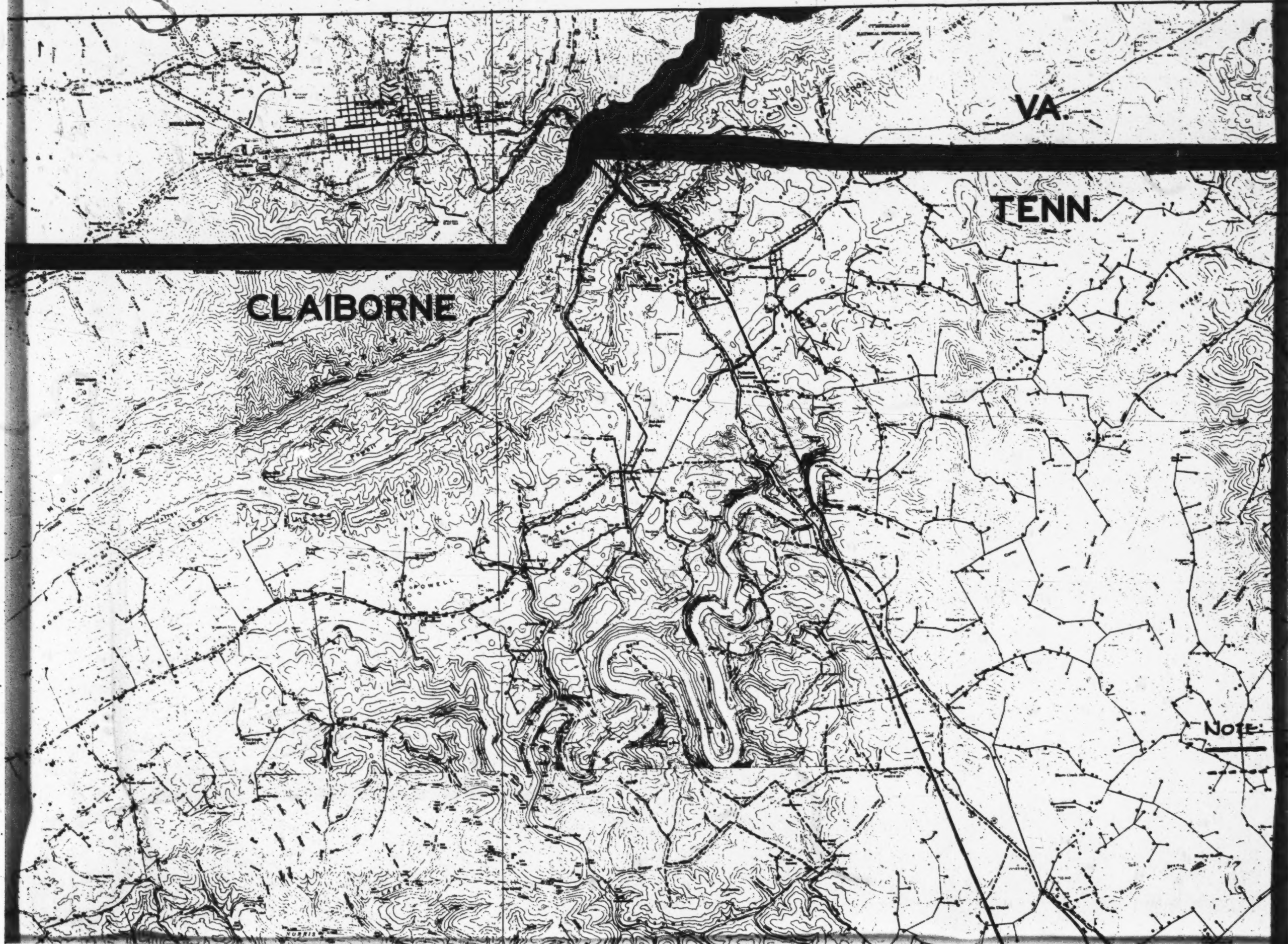
HANCOCK COUNTY

COUNTY









VA.

TENN.

NOTE:

—— 120-345 K.V. TRANSMISSION LINES
- - - 120-125 K.V. DISTRIBUTION LINES

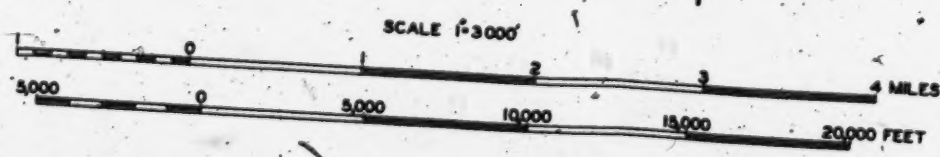
CLAIBORNE
HANCOCK

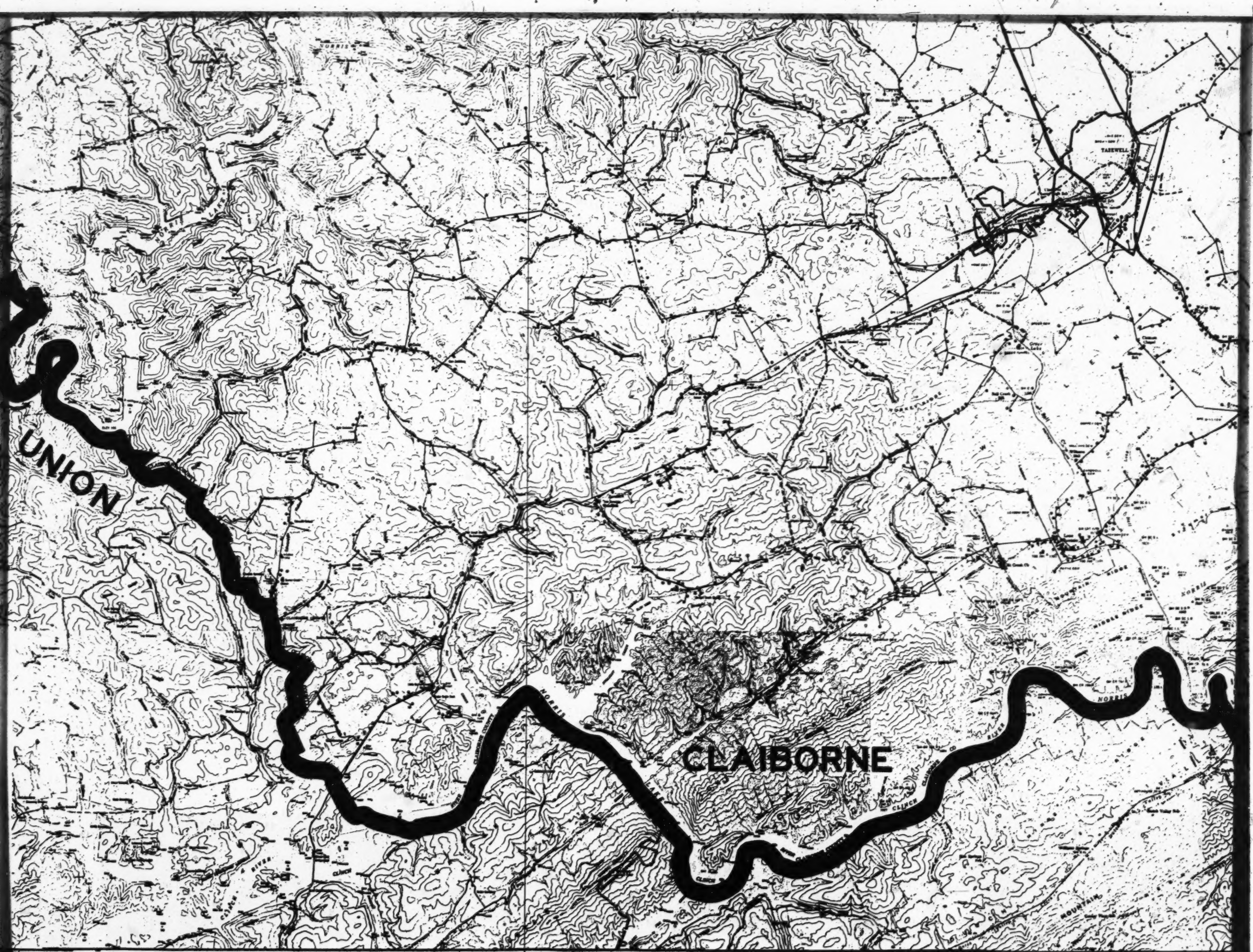
BELL
RNE

UNION

CUSTOMERS AND LINES OF
TVA POWER DISTRIBUTORS
AS OF JULY 1, 1957, IN
CLAIBORNE COUNTY, TENNESSEE

CUSTOMER ● LINES —







[fol. 1213] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 39

Page 1 of 2

Towns Presently Supplied by Investor Owned Electric Utilities Which Towns Are Completely Surrounded by TVA's Power Service Area as Such Area Is Shown on TVA's July, 1958 Transmission System Map, Exhibit —.

Town and State	Supplied By	Wholesale or Retail	Population
Calhoun, Ga.....	Georgia Power Co.	Wholesale	3,587
Chickamauga, Ga.....	Georgia Power Co. (1)	Retail	1,824
Dalton, Ga.....	Georgia Power Co.	Wholesale	17,868
LaFayette, Ga.....	Georgia Power Co.	Wholesale	5,888
Lyerly, Ga.....	Georgia Power Co.	Retail	409
Ringgold, Ga.....	Georgia Power Co.	Retail	1,311
Summerville, Ga.....	Georgia Power Co.	Retail	4,706
Trion, Ga.....	Georgia Power Co.	Retail	2,227
Tunnel Hill, Ga.....	Georgia Power Co.	Retail	.
Bardwell, Ky.....	Kentucky Utilities Co.	Wholesale	1,067
Beech Creek, Ky.....	Kentucky Utilities Co.	Retail	240
Beechmont, Ky.....	Kentucky Utilities Co.	Retail	370
Belton, Ky.....	Kentucky Utilities Co.	Retail	175
Brower, Ky.....	Kentucky Utilities Co.	Retail	300
Caneyville, Ky.....	Kentucky Utilities Co.	Retail	278
Cayce, Ky.....	Kentucky Utilities Co.	Retail	125
Clarkson, Ky.....	Kentucky Utilities Co.	Retail	645
Clinton, Ky.....	Kentucky Utilities Co.	Retail	1,647
Columbus, Ky.....	Kentucky Utilities Co.	Retail	357
Crofton, Ky.....	Kentucky Utilities Co.	Retail	892
Crutchfield, Ky.....	Kentucky Utilities Co.	Retail	140
Fulton, Ky.....	Kentucky Utilities Co.	Wholesale	3,265
Hickman, Ky.....	Kentucky Utilities Co.	Retail	1,537
Jordan, Ky.....	Kentucky Utilities Co.	Retail	30
Leitchfield, Ky.....	Kentucky Utilities Co.	Retail	2,982
Mammoth Cave, Ky...	Kentucky Utilities Co.	Retail	50
Millwood, Ky.....	Kentucky Utilities Co.	Retail	160
Park City, Ky.....	Kentucky Utilities Co.	Retail	497
West Clifty, Ky.....	Kentucky Utilities Co.	Retail	25
Carthage, Miss.....	Miss. Power and Light Co.	Retail	2,442
Charleston, Miss.....	Miss. Power and Light Co.	Retail	2,528
Cockrum, Miss.....	Miss. Power and Light Co.	Retail	75
Coldwater, Miss.....	Miss. Power and Light Co.	Retail	1,264
Como, Miss.....	Miss. Power and Light Co.	Retail	789
Courtland, Miss.....	Miss. Power and Light Co.	Retail	242
Crenshaw, Miss.....	Miss. Power and Light Co.	Retail	1,382
Enid, Miss.....	Miss. Power and Light Co.	Retail	128
Harpersville, Miss.....	Miss. Power Co.	Retail	250
Hernando, Miss.....	Miss. Power and Light Co.	Retail	1,898
Hillsboro, Miss.....	Miss. Power Co.	Retail	.
Independence, Miss....	Miss. Power and Light Co.	Retail	159
Kosciusko, Miss.....	Miss. Power and Light Co.	Wholesale	6,800

Town and State	Supplied By	Wholesale or Retail	Population
Lake, Miss.....	Miss. Power Co.	Retail	297
Lena, Miss.....	Miss. Power Co.	Retail	307
Lillian, Miss.....	Miss. Power Co.	Retail	*
Love, Miss.....	Miss. Power and Light Co.	Retail	500

[fol. 1214]

Page 2 of 2

Neabitt, Miss.....	Miss. Power and Light Co.	Retail	125
Neshoba, Miss.....	Miss. Power Co.	Retail	50
Oakland, Miss.....	Miss. Power and Light Co.	Retail	488
Pope, Miss.....	Miss. Power and Light Co.	Retail	246
Sardis, Miss.....	Miss. Power and Light Co.	Retail	2,098
Scobey, Miss.....	Miss. Power and Light Co.	Retail	89
Tillatoba, Miss.....	Miss. Power and Light Co.	Retail	102
Walnut Grove, Miss...	Miss. Power Co.	Retail	433
Arthur, Tenn.....	Kentucky Utilities Co.	Retail	500
Harrogate, Tenn.....	Kentucky Utilities Co.	Retail	800
Mount Carmel, Tenn...	Kingsport Power Co.	Retail	700
Shawnee, Tenn.....	Kentucky Utilities Co.	Retail	200
Tiprell, Tenn.....	Kentucky Utilities Co.	Retail	150
Ben Hur, Va.....	Old Dominion Power Co.	Retail	400
Caylor, Va.....	Old Dominion Power Co.	Retail	100
Dryden, Va.....	Old Dominion Power Co.	Retail	500
Ewing, Va.....	Old Dominion Power Co.	Retail	500
Gibson Station, Va....	Old Dominion Power Co.	Retail	100
Jasper, Va.....	Old Dominion Power Co.	Retail	100
Jonesville, Va.....	Old Dominion Power Co.	Retail	711
Kemmerer, Va.....	Old Dominion Power Co.	Retail	150
Keokee, Va.....	Old Dominion Power Co.	Retail	500
Pennington Gap, Va...	Old Dominion Power Co.	Retail	1,799
Rose Hill, Va.....	Old Dominion Power Co.	Retail	600
St. Charles, Va.....	Old Dominion Power Co.	Retail	368
Woodway, Va.....	Old Dominion Power Co.	Retail	400

* Not Available

(1) Supplied in part by Georgia Power Company and in part by TVA.

[fol. 1215] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 40

Towns Presently Supplied by Investor Owned Electric Utilities Which Towns Lie Within Areas Partially, But Not Entirely Surrounded by TVA's Power Service Area as Such Area Is Shown on TVA's July, 1958 Transmission Service Map, Exhibit —.

Town and State	Supplied By	Wholesale or Retail	Population
Attalla, Ala.....	Alabama Power Co.	Retail	8,257
Gadsden, Ala.....	Alabama Power Co.	Retail	58,088
Glencoe, Ala.....	Alabama Power Co.	Retail	2,592
Hokes Bluff, Ala.....	Alabama Power Co.	Retail	1,619
Keener, Ala.....	Alabama Power Co.	Retail	103
Murphycross, Ala.....	Alabama Power Co.	Retail	125
Norton, Ala.....	Alabama Power Co.	Retail	150
Menlo, Ga.....	Georgia Power Co.	Retail	466
New England, Ga.....	Georgia Power Co.	Retail	*
Rising Fawn, Ga.....	Georgia Power Co.	Retail	300
Trenton, Ga.....	Georgia Power Co.	Retail	1,301
Ethel, Miss.....	Miss. Power and Light Co.	Retail	566
McCool, Miss.....	Miss. Power and Light Co.	Retail	211
Union, Miss.....	Miss. Power Co.	Retail	1,726
Blair Gap, Tenn.....	Kingsport Power Co.	Retail	*
Bloomington, Tenn....	Kingsport Power Co.	Retail	950
Cumberland Gap, Tenn.	Kentucky Utilities Co.	Retail	291
Kingsport, Tenn.....	Kingsport Power Co.	Retail	26,314
Long Island, Tenn.....	Kingsport Power Co.	Retail	1,925
Lynn Garden, Tenn....	Kingsport Power Co.	Retail	5,261
Morrison City, Tenn...	Kingsport Power Co.	Retail	2,426
Ridgefield, Tenn.....	Kingsport Power Co.	Retail	400
Sullivan Gardens, Tenn.	Kingsport Power Co.	Retail	950

* Not Available ,

[fol. 1216] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 48

KU 17-11 (ES-2) 2-58

K.U. Office, New Tazewell, Tenn.

Route No. —

Acct. No. —

Contract for Electric Service

This contract and agreement made and entered into this 28th day of Sept. 1962 by and between the Kentucky Utilities Company, hereinafter called "Company" and Dayton Shockley, Tazewell, Tenn., hereinafter called "Customer".

Witnesseth: For a period of 1 year, beginning Approx. October 1, 1962 and subject to the Company's general Rules and Regulations or Terms and Conditions, the Company will sell and deliver to Customer at Company meter located on customer's Residence, and Customer will receive and pay for electric energy for the operation of Electric Heat (Baseboard). If Customer continues service after the expiration of the above period this contract automatically will be renewed in accordance with provisions of the rate schedule.

The energy will be delivered as 1 phase, 60 cycle, alternating current of a nominal voltage of 120/240 volts at the point of delivery and in the amount of approximately 14 kilowatts, consisting of — Horse Power Power and — KW Lighting, and 14 KW Resistance Heat.

All energy taken under this agreement will be measured as Secondary Service.

The Customer may from time to time cause to be increased the amount of energy to be delivered hereunder by making written request upon the Company, stating the amount of additional energy desired, such request to be made at least 90 days prior to the time such additional energy is required by the Customer.

Each month the Customer will pay to the Company at its office, within 10 days of rendition of bills, for all energy delivered to the Customer during the preceding month or bi-month determined in accordance with rate schedule number 33, which is made a part of this contract. The minimum bill will be as provided in the rate schedule but not less than \$100.00 a Year.

A "month" or "bi-month" as used in this contract will mean the period between any two consecutive regular readings by the Company of the meters at the Customer's premises, such readings to be taken as nearly as may be practicable every thirty days for "month" or every 60 days for "bi-month".

Where rate schedule has optional clause and/or service is metered at other than delivered voltage, and/or minimum other than standard minimum is required, give explanation hereon.

This Rate is a Rider to the RS-3 Rate Schedule:
Minimum Billing to be applied as follows: (If Applicable)

November—10%

February—20%

December—20%

March—20%

January—20%

April—10%

Rules and Regulations

It is mutually agreed that the Company's general Rules and Regulations or Terms and Conditions and rate applicable to the service supplied hereunder, which are on file with the Public Service Commission of Kentucky, are made a part of this contract as fully as if written herein.

In Witness Whereof, the parties hereto have caused this contract to be executed by these duly authorized representatives this day and year shown above.

Kentucky Utilities Company. Dayton Shockley, Customer.

By H. B. Asher, Division

By —, —.

Mgr., Official Capacity.

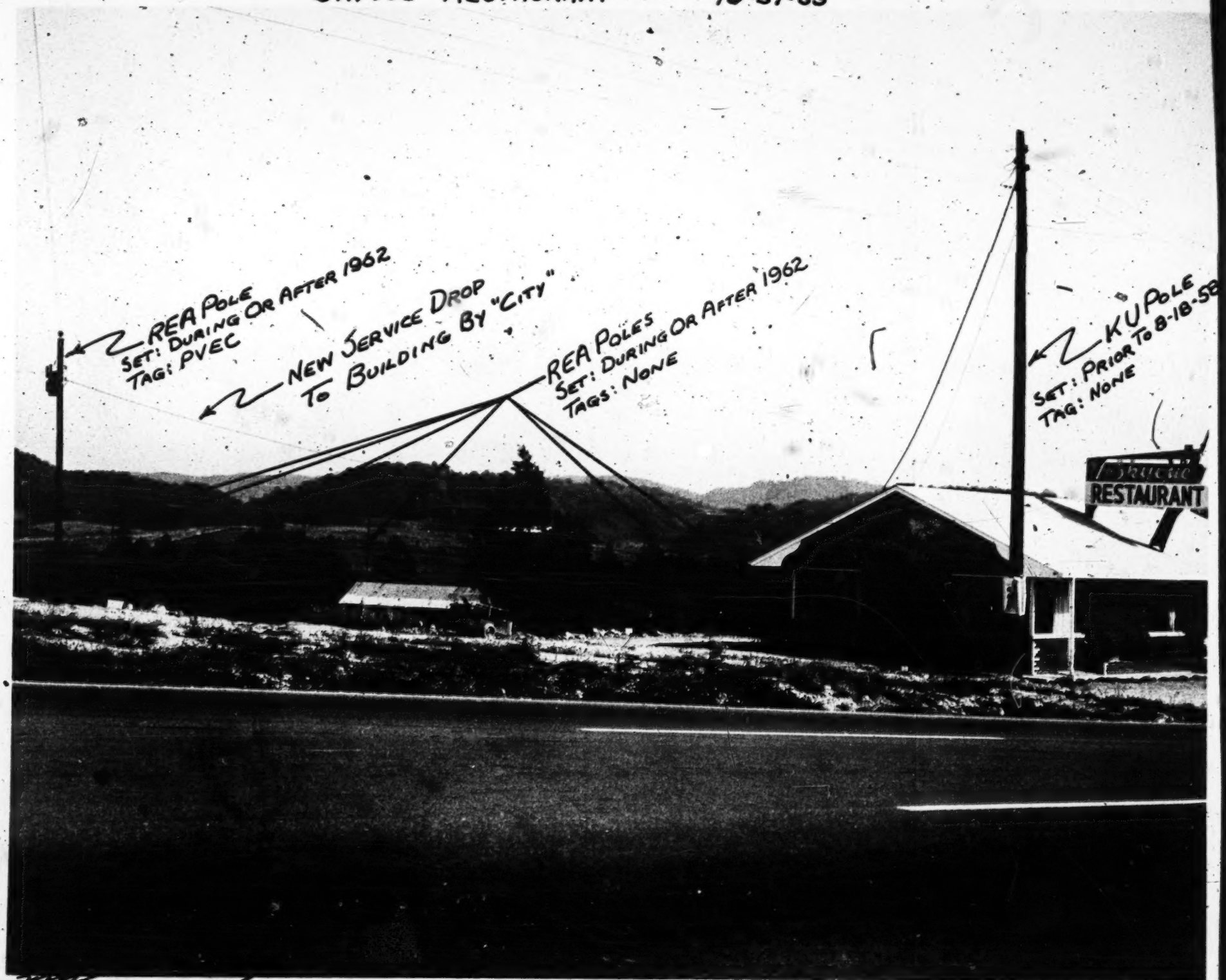
—, —, Official Capacity.

Attest: —

Attest: —

SKYVUE RESTAURANT

10-31-63



WMA WMA

EXHIBIT No. 50

T CRAFT MARINE SUPPLY CO.
(OLD AND NEW BUILDINGS)

10-31-63



mmr wda

EXHIBIT No. 52

MOSSIE KECK AND DANA DAY RESIDENCES

10-31-63



DANA DAY

KU POLE
SET: PRIOR TO 3-18-61
TAG: NONE

NEW "CITY" POLE
SET: 10-31-63
TAG: NT-3

MOSSIE KECK

WMA WMA

EXHIBIT No. 51

KENNETH WESTERN RESIDENCE 10-31-63

REA POLE
SET: DURING OR AFTER 1962
TAG: 19

NEW "CITY" POLE
SET: 10-31-63
TAG: NT-1

KU
POLE SET:
PRIOR TO
4-29-61
TAG: NONE

KU
SERVICE



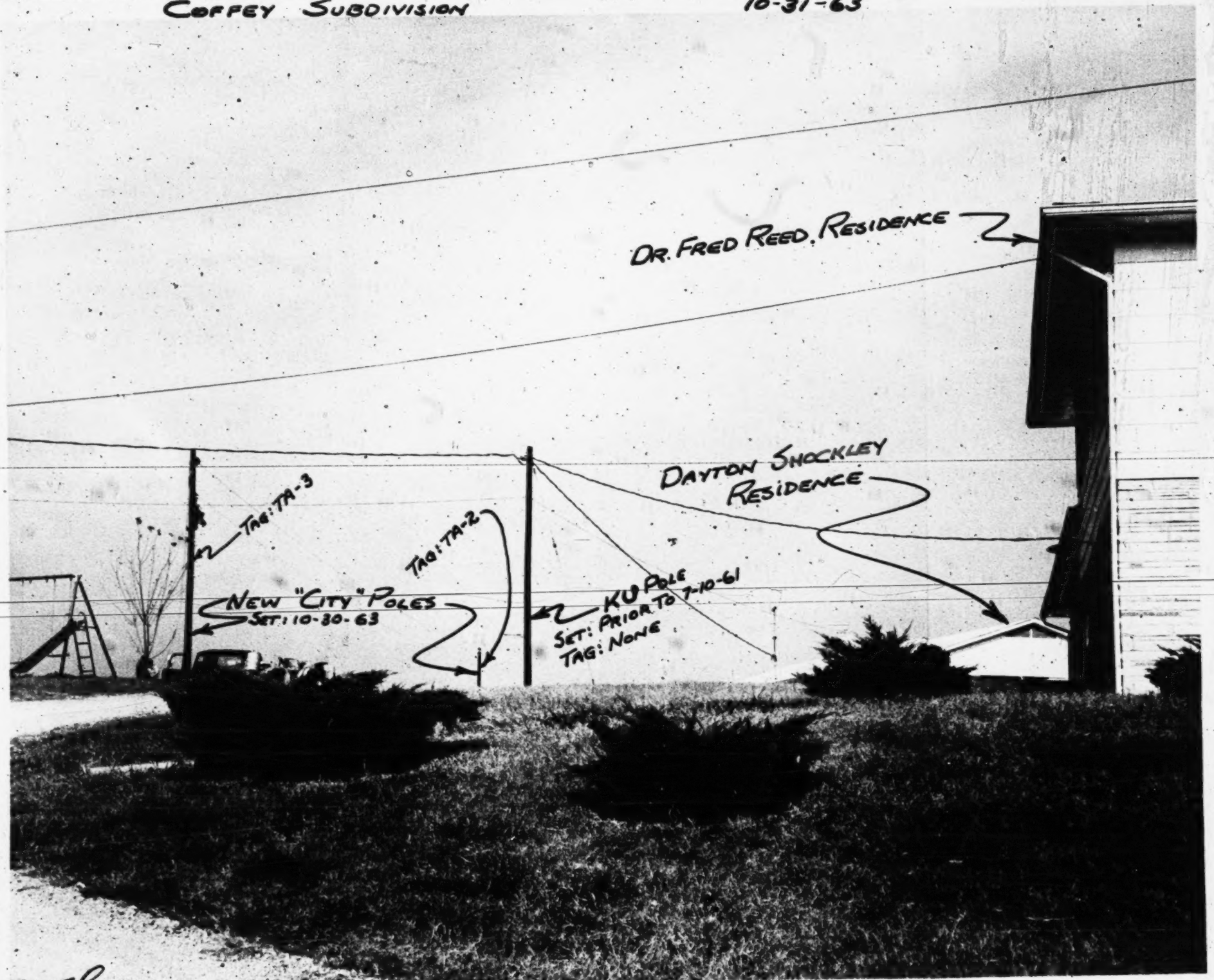
[101.1221]

IN UNITED STATES DISTRICT COURT

EXHIBIT No. 53

COFFEY SUBDIVISION

10-31-63



IN UNITED STATES DISTRICT COURT

EXHIBIT No. 54

DARRELL CAMPBELL RESIDENCE

10-31-63

(KU SERVICE FROM REAR)

NEW "CITY" POLE
SET: 10-31-63
TAG: NT-2

REA POLE
SET: DURING OR AFTER 1962
TAG: AVEC



11116 11116

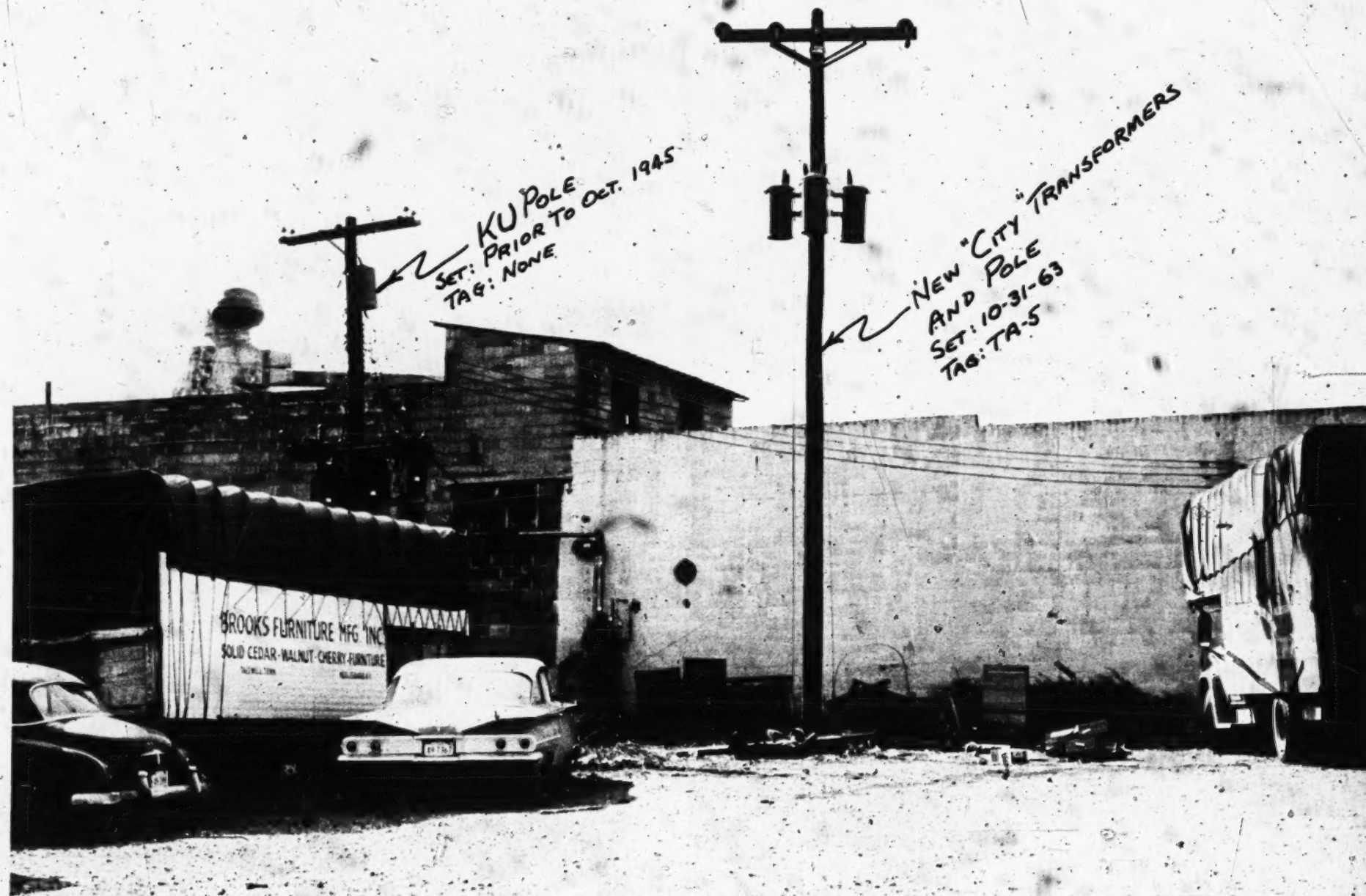
[101. 1223]

IN UNITED STATES DISTRICT COURT

EXHIBIT No. 55

BROOKS FURNITURE MFG. CO.

10-31-63



WILL WA

CECIL HURST RESIDENCE (OVER HILL)

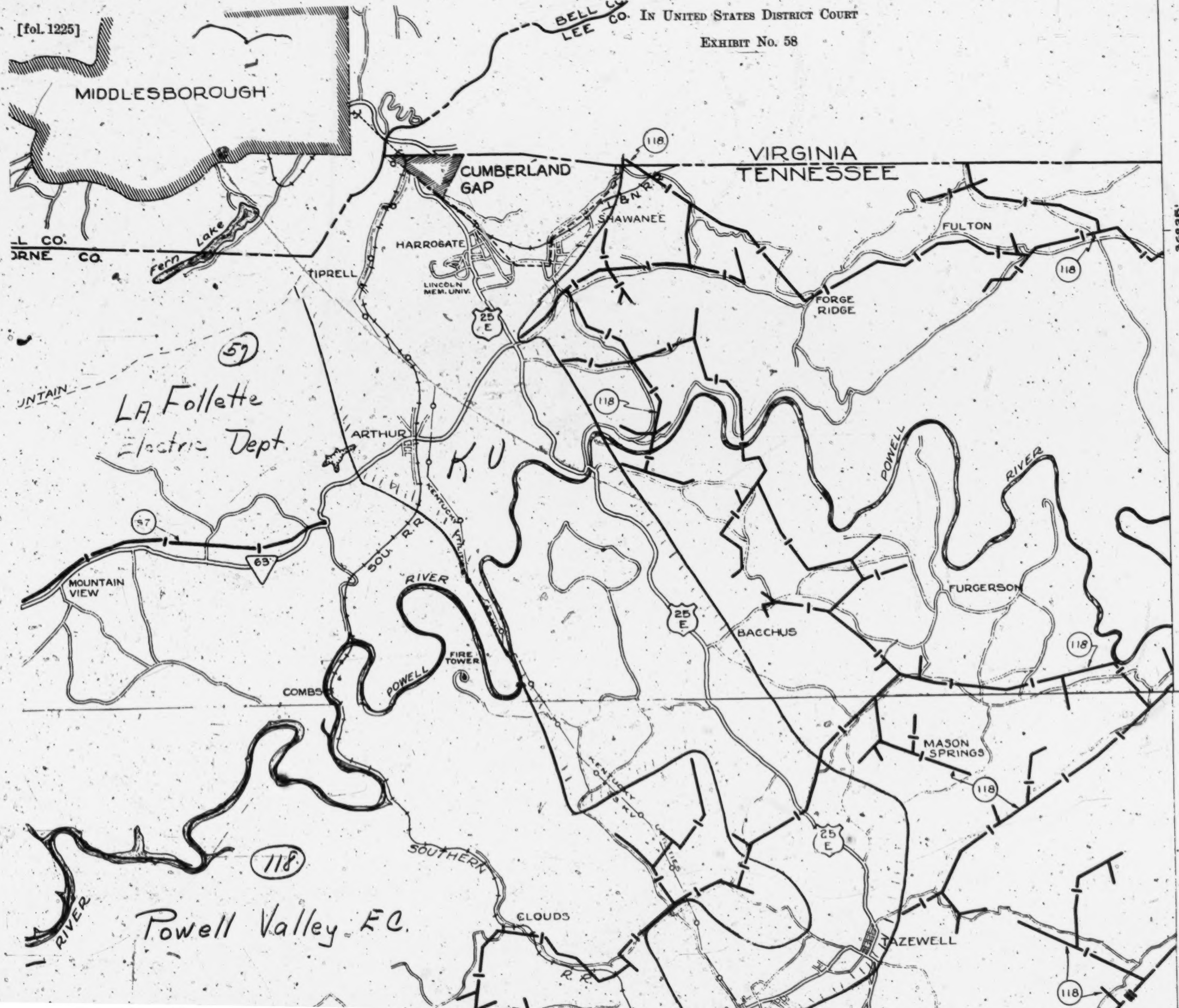
10-31-63



WMA

[fol. 1225]

BELL CO. IN UNITED STATES DISTRICT COURT
LEE CO. EXHIBIT No. 58



MIDDLESBOROUGH

CUMBERLAND GAP

VIRGINIA
TENNESSEE

HARROGATE

LINCOLN MEM. UNIV.

TIPRELL

SHAWANEE

FULTON

FORGE RIDGE

LA Follette
Electric Dept.

ARTHUR

KU

MOUNTAIN VIEW

POWELL RIVER

FIRE TOWER

COMBS

BACCHUS

FURGERSON

MASON SPRINGS

Powell Valley E.C.

CLOUDS

HAEWELL

UNTAIN

LA Follette
Electric Dept.

ARTHUR

K.V.

118

57

63

MOUNTAIN
VIEW

SOU. R.R.

RIVER

FIRE
TOWER

COMBS

POWELL

25
E

BACCHUS

FURGERSON

118

MASON
SPRINGS

118

118

SOUTHERN

Powell Valley E.C.

CLOUDS

R.R.

25
E

TAZEWELL

NEW
TAZEWELL

118

GOIN

FORD
CHAPLE

118

33

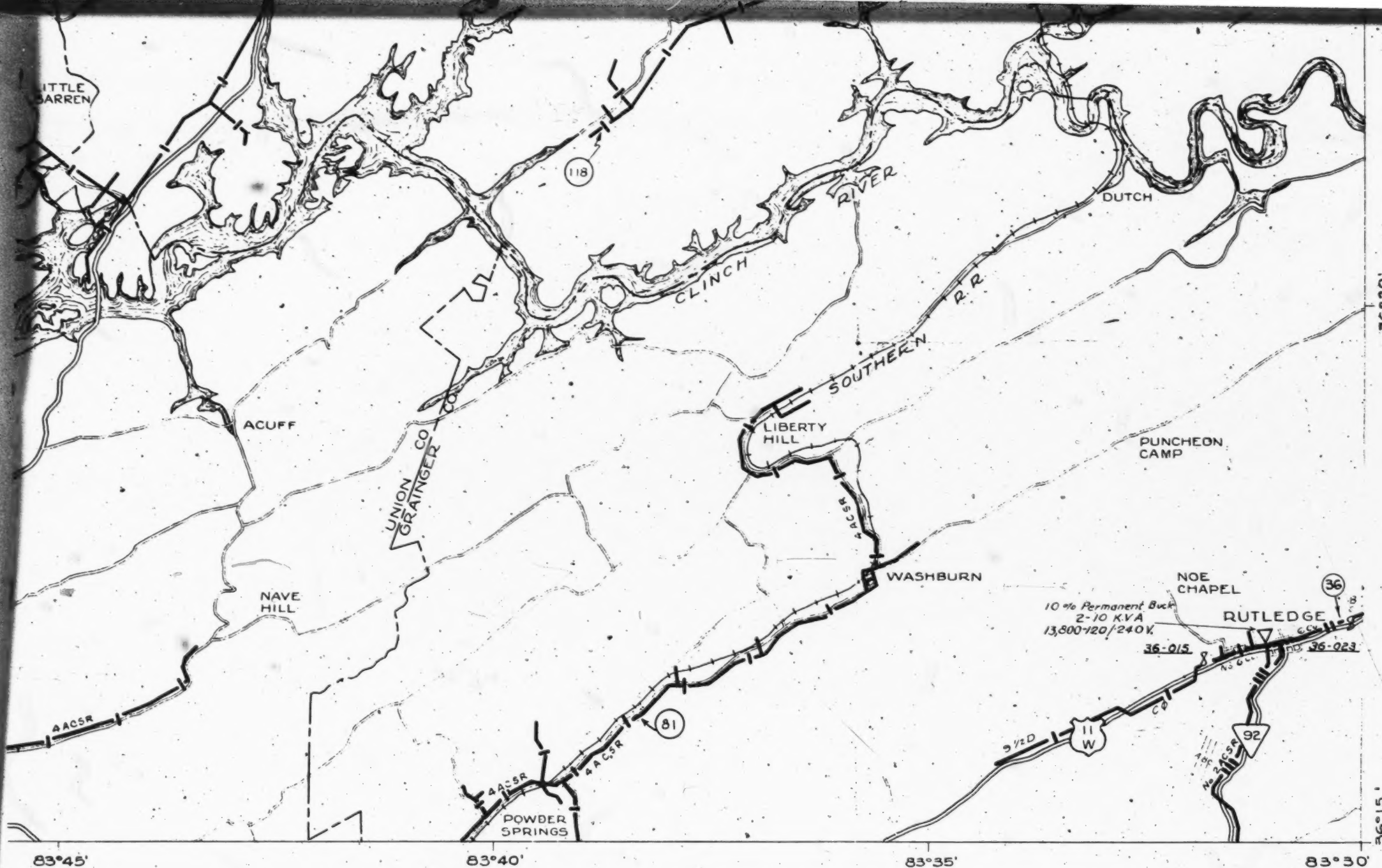
25
E

SPRINGDALE

36°30'16"30"

36°25'

LONE
MOUNTAIN

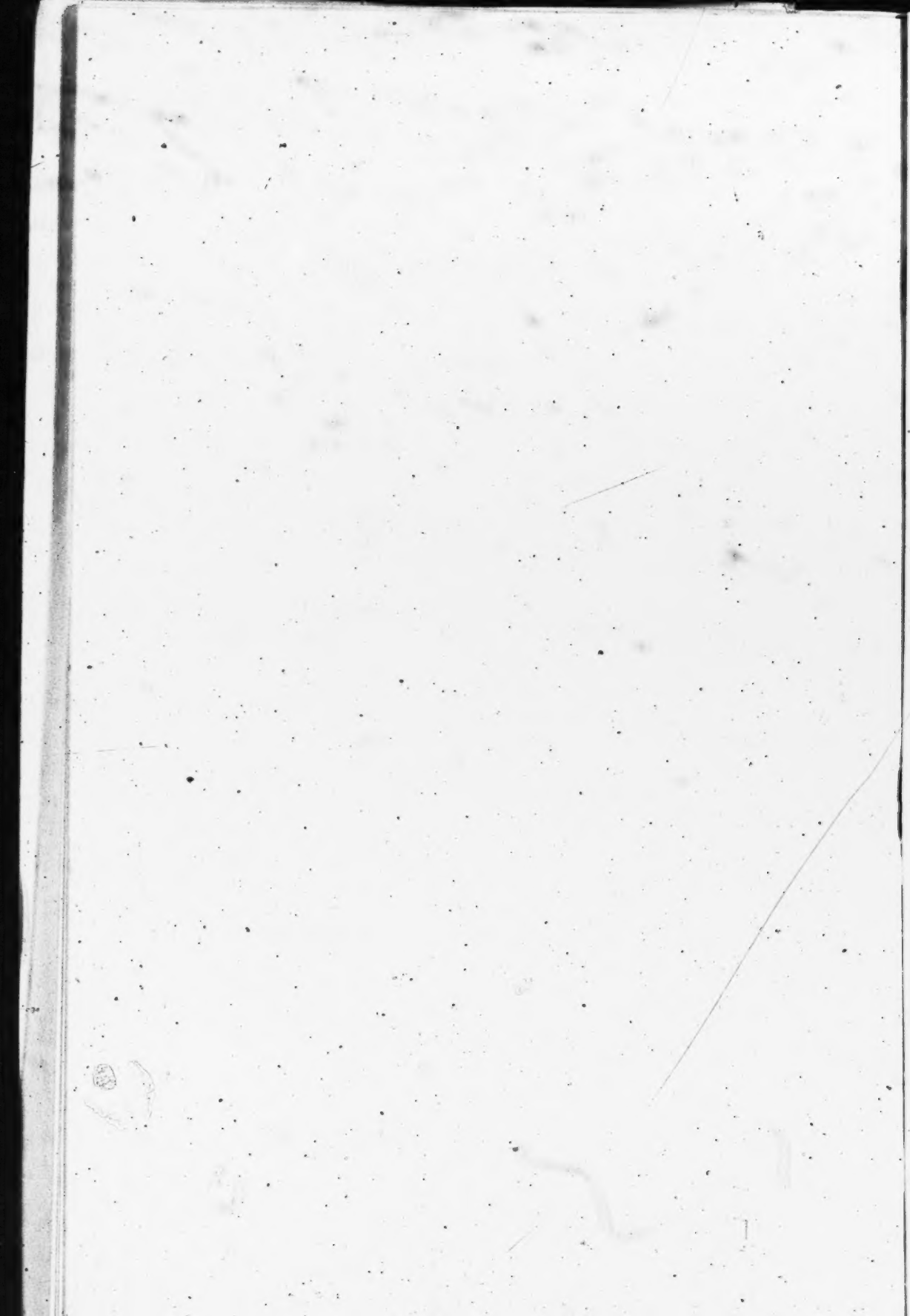


**COOPERATIVES AND MUNICIPALITIES OPERATING
RURAL DISTRIBUTION LINES IN THIS AREA**

- (36) APPALACHIAN ELECTRIC COOPERATIVE
- (81) KNOXVILLE ELECTRIC POWER AND WATER BOARD
- (57) LA FOLLETTE ELECTRIC DEPT.
- (118) POWELL VALLEY ELECTRIC COOPERATIVE

1	General Revision	6/8/45 J.H.

TENNESSEE VALLEY AUTHORITY			
DEPARTMENT OF OPERATIONS			
TRANSMISSION AND RURAL DISTRIBUTION LINES IN CAMPBELL, CLAIBORNE, UNION AND GRAINGER COUNTIES, TENNESSEE			
DATE: 11-30-44	SUBMITTED: <i>F. J. Thompson</i>	APPROVED: <i>H. H. Weber</i>	36-83-3. L-C-7000
DRAWN: Z.K.S.	TRACED: Z.K.S.	CHECKED: <i>[Signature]</i>	



[fol. 1226] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 68

Attachment of 10-17-62.

Mr. Dewey S. Hunter, Executive Director
The LaFollette Housing Authority
Bluff Road
LaFollette, Tennessee

Dear Mr. Hunter:

We wish to acknowledge receipt of your letter of February 27 relative to this Cooperative serving electricity to the proposed housing projects in New Tazewell and Tazewell, Tennessee.

Several weeks ago I looked over the site that your Authority had purchased in New Tazewell, and upon returning to our office I found that it was not in the territory which we are allowed to furnish service. It is true that we sell electricity under Standard TVA Rates which are much lower than the rates in this area for those consumers receiving service from the Kentucky Utilities Company.

If you have not purchased your building site in the Tazewell area, we will be glad to furnish you with a map of the area in and around Tazewell which we are allowed to furnish service. As you know, the areas which public utilities can serve come under the jurisdiction of the State Utilities Commission or Tennessee, and whether we like it or not, these restrictions must be strictly adhered.

We would certainly like to serve these housing projects as we have the electricity available in this area and it would improve our winter load immensely.

Sincerely yours, S. E. Berry, Manager, Powell Valley
Electric Cooperative.

FEB [Copy Illegible]

[fol. 1227] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 69

The LaFollette Housing Authority
Bluff Road
LaFollette, Tennessee

Members of the Board:

R. L. Sharp, Chairman
Clarence E. Farris, Vice Chairman
Floyd Parrott
R. L. Alexander
H. M. Irwin

Dewey Hunter, Executive Director
Reba S. Davis, Asst. Director

Attachment of 10-17-62.

Mr. S. E. Berry
REA Office
Jonesville, Virginia

Dear Mr. Berry:

We plan to build two low-rent housing projects, one in New Tazewell and the other in Tazewell. The total number of units for both projects will be fifty-eight. Someone told us that we would have to secure our utilities from the Kentucky Utilities Company. We don't like this because with the rate that they have we feel that it would be impossible for us to heat these units with electricity. We have eight projects comprising several hundred units and they are all completely electric. We would hate to change this for New Tazewell and Tazewell, so won't you please take under advisement our request and see if there isn't some way that you can furnish the electricity for these two projects. Since these are public housing projects, I am sure you know that we are under the supervision of the government, and I know that the Public Housing Administration would be pleased to have you serve these two projects.

Sincerely yours, The LaFollette Housing Authority.
Dewey S. Hunter, Executive Director.

DSH:mc

EXHIBIT No. 83

POWELL VALLEY ELECTRIC COOP

COOPERATIVE
ELECTRICITY

JONESVILLE, VIRGINIA

TELEPHONE
JONESVILLE 52

December 26, 1963

Mr. C. Wilson House
District Manager
Office of Power
Tennessee Valley Authority
Knoxville, Tennessee

Dea Wilson:

We are enclosing herewith maps of the K. U. system
in Claiborne County.

We found it nearly impossible to locate each house
on the map due to the density on most of their system, so
we have marked it off in sections. In each encircled area,
we have indicated the total consumers of the area.

Tazewell HANCOCK
The rural area South of Powell River that does not
have a line drawn around it contains a total of 289 con-
sumers. In this area, we have located a part of the houses
but this was done only to give you some idea of the density

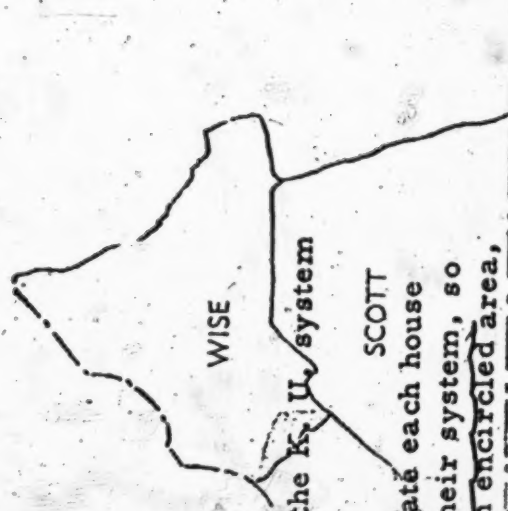


EXHIBIT No. 83

POWELL VALLEY ELECTRIC COOP

COOPERATIVE
ELECTRICITY

JONESVILLE, VIRGINIA

TELEPHONE
JONESVILLE 52

December 26, 1963

Mr. C. Wilson House
District Manager
Office of Power
Tennessee Valley Authority
Knoxville, Tennessee

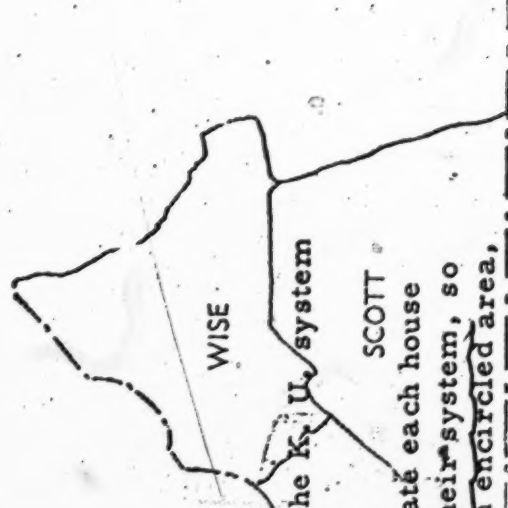
Dea Wilson:

We are enclosing herewith maps of the K. U. system
in Claiborne County.

We found it nearly impossible to locate each house
on the map due to the density on most of their system, so
we have marked it off in sections. In each encircled area,
we have indicated the total consumers of the area.

The rural area South of Powell River that does not
have a line drawn around it contains a total of 289 con-
sumers. In this area, we have located a part of the houses
but this was done only to give you some idea of the density
in these areas. These do not add to the 289 figure given
above, neither do any others that have been dotted in.

We have indicated a three phase line by making
three short marks across the lines, a single phase by
one such mark. Taps not marked at all are single phase
No secondary is shown.

RALPH B. MAINER
ManagerC. F. STEELE
President
Blackwater, Va.DR. JOHN PEARSON
Knox, Tenn.C. H. SLEMP
Dryden, Va.O. I. SNODGRASS
KNOXVILLE, Va.

BOARD OF DIRECTORS

LOYD MUNCY
Vice President
Harrogate, Tenn.O. G. MOYERS
KNOX, Tenn.OBIE YEARY
Ewing, Va.RAY JARVIS
Sneedville, Tenn.CLYDE Y. CRIDLIN
AttorneyO. C. ALBERT
Secretary-Treasurer
Jonesville, Va.

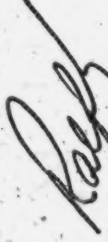
64-83

Mr. C. Wilson House
Page 2
December 26, 1963

Everything North of Powell River now feeds from a new substation located in Harrogate. This was put into service at the same time as our new transformer at Tazewell. Everything on the South side of the river feeds from our substation at Tazewell.

We counted a total of 1,812 consumers on their system. This includes both the connected and disconnected houses. This was completed on December 20, or thereabouts.

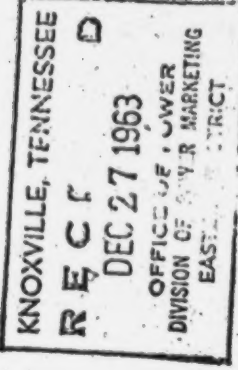
Very truly yours,



Ralph B. Miner, Manager
POWELL VALLEY ELECTRIC COOPERATIVE

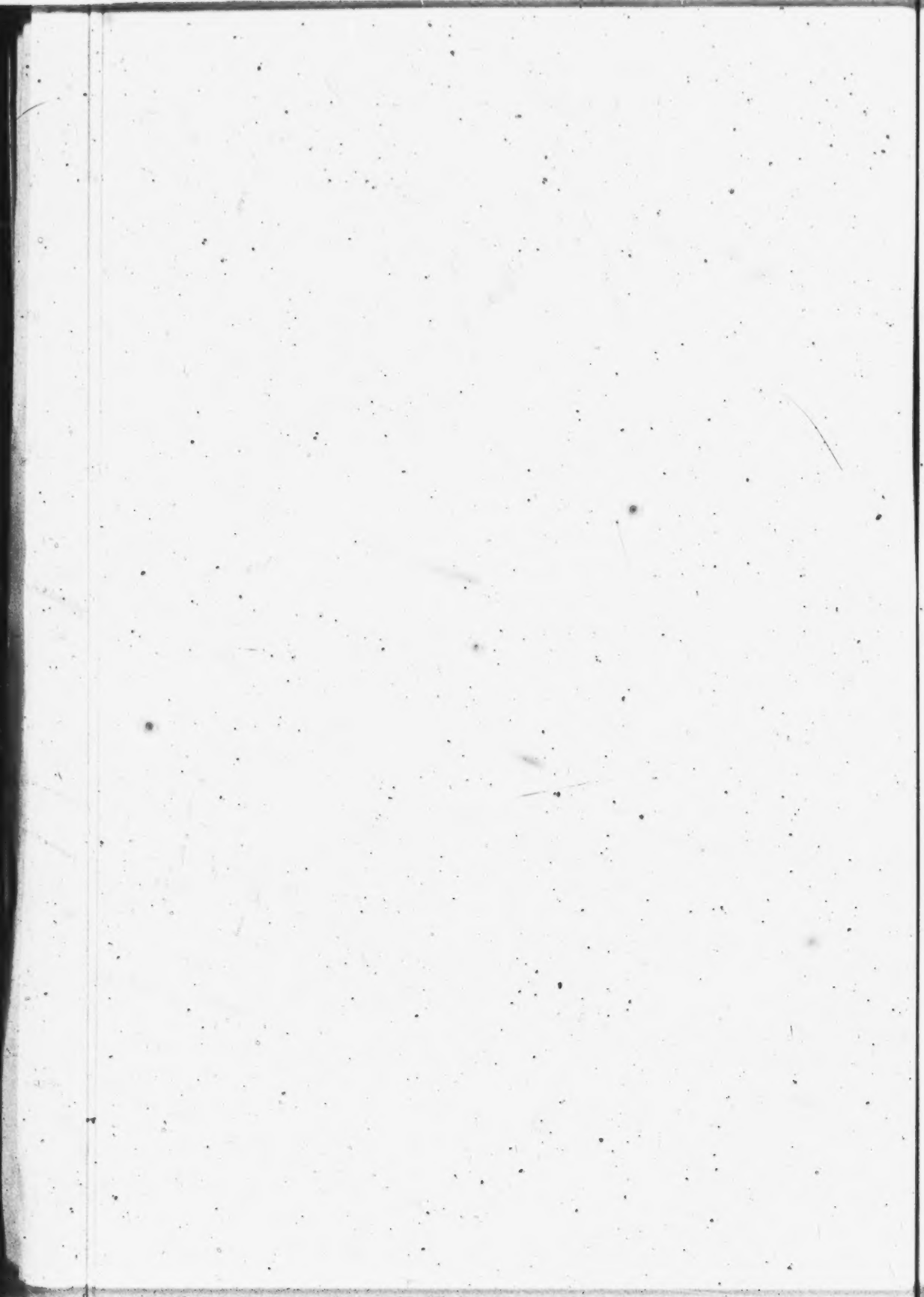
RBM:mrr

Enclosures



XERO
COPY

XERO
COPY



[fol. 1230] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 93

I, Edgar H. Drum, an Assistant Secretary of the Tennessee Valley Authority, hereby certify that the attached is a true and correct copy of the minutes of a meeting of the Board of Directors held on August 26, 1964, as approved by the Board of Directors at a meeting held on August 27, 1964.

In Witness, Whereof, I have hereunto set my hand and the official seal of the Tennessee Valley Authority this 18th day of September, 1964.

Edgar H. Drum.

[Seal.]

[fol. 1231] No. 912

Approved:

Charles J. McCarthy,
General Counsel and Secretary.

Minutes of Meeting of The Board of Directors, Tennessee Valley Authority, August 26, 1964

A special meeting of the Board of Directors of the Tennessee Valley Authority was held in the offices of the Corporation, 508 Union Avenue, Knoxville, Tennessee, at 9:30 a.m., August 26, 1964.

Present were A. J. Wagner, Director and Chairman; A. R. Jones, Director and Vice Chairman; Frank E. Smith, Director; L. J. Van Mol, General Manager; E. A. Shelley, Assistant General Manager; Charles J. McCarthy, General Counsel and Secretary; R. H. Marquis, Solicitor; G. O. Wessenauer, Manager of Power; Paul L. Evans, Director of Information; C. Wilson House, District Manager, and J. W. Ward, Jr., Administrative Assistant, of the Eastern District of the Division of Power Marketing; Lewis E. Wallace, Attorney; and Edgar H. Drum, an Assistant Secretary.

Chairman Wagner presided.

A waiver of notice of the meeting, properly executed by all of the Directors, was exhibited and ordered attached to these minutes.

[fol. 1232] The Board approved the minutes of the meeting held July 23, 1964.

Unclassified

912-1. *Availability of TVA Power in Claiborne County, Tennessee, Under Section 15d*

The following resolution was adopted by the Board:

Whereas, Section 15d of the Tennessee Valley Authority Act provides in part as follows:

Unless otherwise specifically authorized by Act of Congress the Corporation shall make no contracts for the

sale or delivery of power which would have the effect of making the Corporation or its distributors, directly or indirectly, a source of power supply outside the area for which the Corporation or its distributors were the primary source of power supply on July 1, 1957, and such additional area extending not more than five miles around the periphery of such area as may be necessary to care for the growth of the Corporation and its distributors within said area

and

Whereas, Inquiries have been received as to the availability of TVA power in various parts of Claiborne County, Tennessee, and it appears desirable to make a finding as to the availability of TVA power under Section 15d of the Tennessee Valley Authority Act in Claiborne County and to determine precisely where the periphery of the area for which TVA or its distributors were the primary source of power supply on July 1, 1957, lies with reference to Claiborne County; and

Whereas, The information required to make such findings and determinations is now available to the Board; and [fol. 1233] Whereas, The Board has considered the facts set out in the memorandum of August 25, 1964, from Mr. G. O. Wessenauer, Manager of Power, to the General Manager, and the legal views expressed in the memorandum of August 25, 1964, from Mr. Charles J. McCarthy, General Counsel, to the Board of Directors, copies of which are filed with the records of the Board as Exhibits 8-26-64a and 8-26-64b, respectively, and has examined the originals of the maps attached to Mr. Wessenauer's memorandum and maps showing areas in Claiborne County claimed by Kentucky Utilities, copies of which are filed with the records of the Board as Exhibit 8-26-64c and Exhibit 8-26-64b; and

Whereas, The Board has explored these questions fully in meetings with its Manager of Power and its General Counsel and other appropriate TVA staff, and has considered the questions in the light of such discussions, the above memoranda and maps, and the Board's own knowledge of TVA's operations and of the history of Section 15d of the Tennessee Valley Authority Act;

Now, Therefore, Be It Resolved, That the Board of Di-

rectors hereby finds and determines that all of Claiborne County, Tennessee, is within the area for which TVA or its distributors were the primary source of power supply on July 1, 1957;

Further Resolved, That the Board finds and determines that a line beginning at the intersection of the States of Tennessee, Virginia, and Kentucky and running first south and then west along the line separating Tennessee and Kentucky to the line dividing Claiborne and Campbell Counties, Tennessee, is part of the periphery of the area for which TVA or its distributors were the primary source of power supply on July 1, 1957, and is that part of such periphery which touches Claiborne County, Tennessee.

The meeting was adjourned at 10:45 a.m.

Edgar H. Drum, Assistant Secretary.

[fol. 1234] Waiver of Notice of Meeting of Directors of
the Tennessee Valley Authority

We, the undersigned, members of the Board of Directors of the Tennessee Valley Authority, do hereby severally waive notice of the time, place, and purpose of a meeting of the Directors, and consent that the meeting be held in the offices of the Corporation, 508 Union Avenue, Knoxville, Tennessee, on the 26th day of August, 1964, at 9:30 a.m. We further consent to the transaction of any and all business which may properly come before the meeting.

/s/ A. J. Wagner, Chairman. /s/ A. R. Jones, Director and Vice Chairman. /s/ Frank E. Smith, Director.

Dated: August 25, 1964

[fol. 1235] IN UNITED STATES DISTRICT COURT

EXHIBIT 8-26-64a

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

To: L. J. Van Mol, General Manager, 411 NSB, Knoxville (4)
From: G. O. Wessenauer, Manager of Power, 818 PRB, Chattanooga

Date: August 25, 1964

Subject: Determination by the TVA Board as to Whether All (or if Not All, What Part) of Claiborne County Is Within the Area for Which TVA or Its Distributors Were the Primary Source of Power Supply on July 1, 1957.

Section 15d of the TVA Act provides in parts as follows:

Unless otherwise specifically authorized by Act of Congress the Corporation shall make no contracts for the sale or delivery of power which would have the effect of making the Corporation or its distributors, directly or indirectly, a source of power supply outside the area for which the Corporation or its distributors were the primary source of power supply on July 1, 1957, and such additional area extending not more than five miles around the periphery of such area as may be necessary to care for the growth of the Corporation and its distributors within said area.

The approximate location of the periphery of the area for which TVA or its distributors were the primary source of power supply on July 1, 1957, is reasonably clear, but to draw a precise line at any location requires a detailed study of the operations of each distributor with lines at that point. It has not been thought that the advantages to be derived from drawing a precise line around the periphery of the entire area served by TVA power would justify the time and expense involved in making the necessary studies.

The pendency of the litigation filed by Kentucky Utilities Company in connection with service to Tazewell has given

rise to inquiries as to the availability of TVA power in various parts of Claiborne County. Inquiries have come from Chambers of Commerce, individuals desiring TVA power, members of Congress, and distributors of TVA power. In connection with this litigation it has been necessary to make a detailed study of the operations of the distributors of TVA power in Claiborne County. The information necessary to determine the answers to these questions has thus been collected and it is recommended that the Board consider the various data and make the determinations necessary to permit us to answer future inquiries more specifically than we have been able to do in the past. The facts which appear to be relevant are as follows:

TVA power is distributed in Claiborne County by the Powell Valley Electric Cooperative and the City of LaFollette electric system. The attached map shows the location of the distribution lines and the customers served by these [fol. 1236] distributors as of July 1, 1957. It will be seen that the lines of TVA distributors blanket Claiborne County except for the mountainous area, between the extreme northwestern part of the county served by LaFollette and Cumberland Mt. (which is without electric service except for a few customers served by Kentucky Utilities off a line running down Mingo Hollow) and a small area near the point where Kentucky, Tennessee, and Virginia come together embracing Cumberland Gap, Harrogate, and Shawanee. Kentucky Utilities provides service to power consumers in this area and it also provides service to most of the consumers in Tazewell and New Tazewell, to a group of consumers near Arthur, and to scattered rural consumers, most of whom are in the area immediately south of Powell River. As of July 1, 1957, Powell Valley and LaFollette supplied power to a total of 3,564 consumers in Claiborne County. On the same date Kentucky Utilities supplied power to 1,839 consumers. In June 1957 Powell Valley and LaFollette had combined kilowatt-hour sales of 1,025,793, as against 626,043 kilowatt-hours for Kentucky Utilities. In the same month the combined kilowatt demand for Powell Valley and LaFollette was 3,125 kilowatts as against 2,338 for Kentucky Utilities. The depreciated plant investment in distribution facilities of Powell Valley and LaFollette (as of January 10, 1957, for Powell Valley and as of June 30, 1957, for LaFollette)

was \$902,999.17 as against Kentucky Utilities, investment on June 30, 1957, of \$457,947.93.

Also attached are maps presented to the Congress by TVA during the hearings on the bond financing bill. The map entitled "Tennessee Valley Authority, Major Construction Projects, April 1955" was supplied to the Senate Committee during the 1955 hearings. The map entitled "The TVA System, Dams and Steam Plants, January 1957" was supplied to the House Committee during the 1957 hearings. The untitled map, the original of which is colored blue, pink, and gray, was supplied to the House Committee during the 1959 hearings. Each of these maps is a composite of the approximate area served by the municipal and cooperative distributors of TVA power. The maps cannot be relied on to determine exact lines but they show the general area which Congress had in mind as the service areas of such distributors. Each of the maps shows all of Claiborne County as within the area served by TVA.

Also attached is a copy of a map furnished by Kentucky Utilities to the House Committee on Public Works on March 11, 1959, in connection with the bond financing legislation. So far as Claiborne County is concerned, this map differs from those supplied by TVA only in showing as outside the [fol. 1237] TVA area a small V-shaped portion of Claiborne County west of the point at which the Kentucky-Tennessee line turns north. This is the mountainous area which has no service except the Kentucky Utilities line running down Mingo Hollow. This map shows the cities of Tazewell, New Tazewell, and Cumberland Gap as within the TVA service area.

GOW:TGW:JEW:AP

Attachments

CC: Charles J. McCarthy, 629 NSB, Knoxville

CLERK'S NOTE:

Attachment—Map of Claiborne County, Tennessee, showing customers and lines of distributors of TVA power as of July 1, 1957 is omitted from the record here.
See Exhibit Volume I, Sheet 1b.

CLERK'S NOTE:

Attachment—Map—TVA Major Construction Projects, April 1955 presented by TVA witness to Subcommittee of the Senate Committee on Public Works during hearings on TVA Bond Financing Bill, July 1955 is omitted from the record here.

See Exhibit Volume I, Sheet 5b.

CLERK'S NOTE:

Attachment—Map—The TVA System, Dams and Steam Plants, January 1957 presented by TVA witness to a Subcommittee of the House Committee on Public Works during hearings on TVA Bond Financing Bill, March, April and May, 1957 is omitted from the record here.

See Exhibit Volume I, Sheet 6b.

CLERK'S NOTE:

Attachment—Map presented by TVA witness to House Committee on Public Works during hearings on TVA Bond Financing Bill, March 1959 is omitted from the record here.

See Exhibit Volume I, Sheet 7b.

CLERK'S NOTE:

Attachment—Map—Expansion of TV Service Area Under S. 931 and H.R. 3460 attached to statement filed by Kentucky Utilities with the House Committee on Public Works during hearings on TVA Bond Financing Bill, March 1959 is omitted from the record here.

See Exhibit Volume I, Sheet 8b.

[fol.1238] IN UNITED STATES DISTRICT COURT

EXHIBIT 8-26-64b

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

To: Board of Directors

From: Charles J. McCarthy, General Counsel

Date: August 25, 1964

Subject: Determination by the TVA Board as to Whether
All (or if Not All, What Part) of Claiborne County
Is Within the Area for Which TVA or Its Dis-
tributors Were the Primary Source of Power Sup-
ply on July 1, 1957.

I have reviewed Mr. Wessenauer's memorandum to Mr. Van Mol on the above subject and I concur in his recommendation that the TVA Board make a determination as to the portion of Claiborne County which falls within the area for which TVA or its distributors were the primary source of power supply on July 1, 1957.

The determination of the exact dimensions of the area for which TVA or its distributors were the primary source of power supply on July 1, 1957, and the fixing of the periphery of such area in situations in which a line must be drawn in the administration of the TVA Act is a responsibility which Congress has placed on the TVA Board. The question involved is basically a factual one to be determined in the light of the applicable law. Mr. Wessenauer has supplied the factual material and you have asked my advice as to the law.


The word "area" is not defined in section 15d of the TVA Act, but the use of the singular rather than the plural and the reference to the additional area extending "around the periphery of such area," as well as the legislative history, make clear that Congress was talking about a contiguous area and that the mere furnishing of service by a private power company to customers located within the periphery of such area does not have the effect of excluding the parts of the area which the power company serves. Congress spoke of the primary source of power supply and not of the sole source of power supply. It did not intend that a private

power company could draw a circle around a group of customers or a community located inside the periphery of the TVA area and exclude the land within the circle from the area to which TVA is authorized to supply power. The question then is one of determining the periphery of the area. From Mr. Wessenauer's memorandum and the attached maps it appears that everything south and east of Cumberland Mountain (as well as the extreme northwestern part of the County) with the possible exception of the area around Cumberland Gap, is within the periphery of the area [fol. 1239] for which TVA or its distributors were the primary source of power supply on July 1, 1957. A closer question is whether the periphery should be drawn to include all of Claiborne County or should dip down to include Mingo Hollow and again to exclude the area in the vicinity of Cumberland Gap. This is a matter for the Board to decide. It is my view that, considering the relatively small area included in these portions of the county, and the legislative history showing an understanding by the Congress that all of Claiborne County was within the TVA area, the Board can properly resolve this question by finding that all of Claiborne County is within the area for which TVA or its distributors were the primary source of power supply on July 1, 1957, and can properly define as part of the periphery of such area a line from the intersection of Tennessee, Virginia and Kentucky along the Kentucky-Tennessee border to the line separating Claiborne and Campbell counties.

Charles J. McCarthy.

CJM:es

cc: Mr. L. J. Van Mol, 411 NSB,
Mr. G. O. Wessenauer, 818 PRB, Chattanooga,
Mr. C. Wilson House, 26 UAB.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BIOLOGICAL SURVEY

UNITED STATES
TENNESSEE VALLEY AUTHORITY
MAPS AND SURVEYS BRANCH

E4, 8-26-64c

7.5 MINUTE SERIES (TOPOGRAPHIC) 1:25,000



Section No. 2 - Andrew Korman
Map No. 1

84.8-26-64d

MAP SHOWING ASSETS TERRITORIAL BOUNDARY
LINES BETWEEN KENTUCKY UTILITIES CO. AND
POWER VALLEY REC. IN TENN.

Section No. 1 - Appomattox River
Map No. 1

Date
11
Appomattox River REC.

Copyright 1938 by U.S. GEOLOGICAL SURVEY, and the
Geological Survey of the United States
Photographs by the Geological Survey, 1938
Map published by the Geological Survey

CLOUDS, TENN.

SHADED AREA DESIGNATES
K U TERRITORY
FILL WITH BY CLOUDS & SHINE
4.1.67

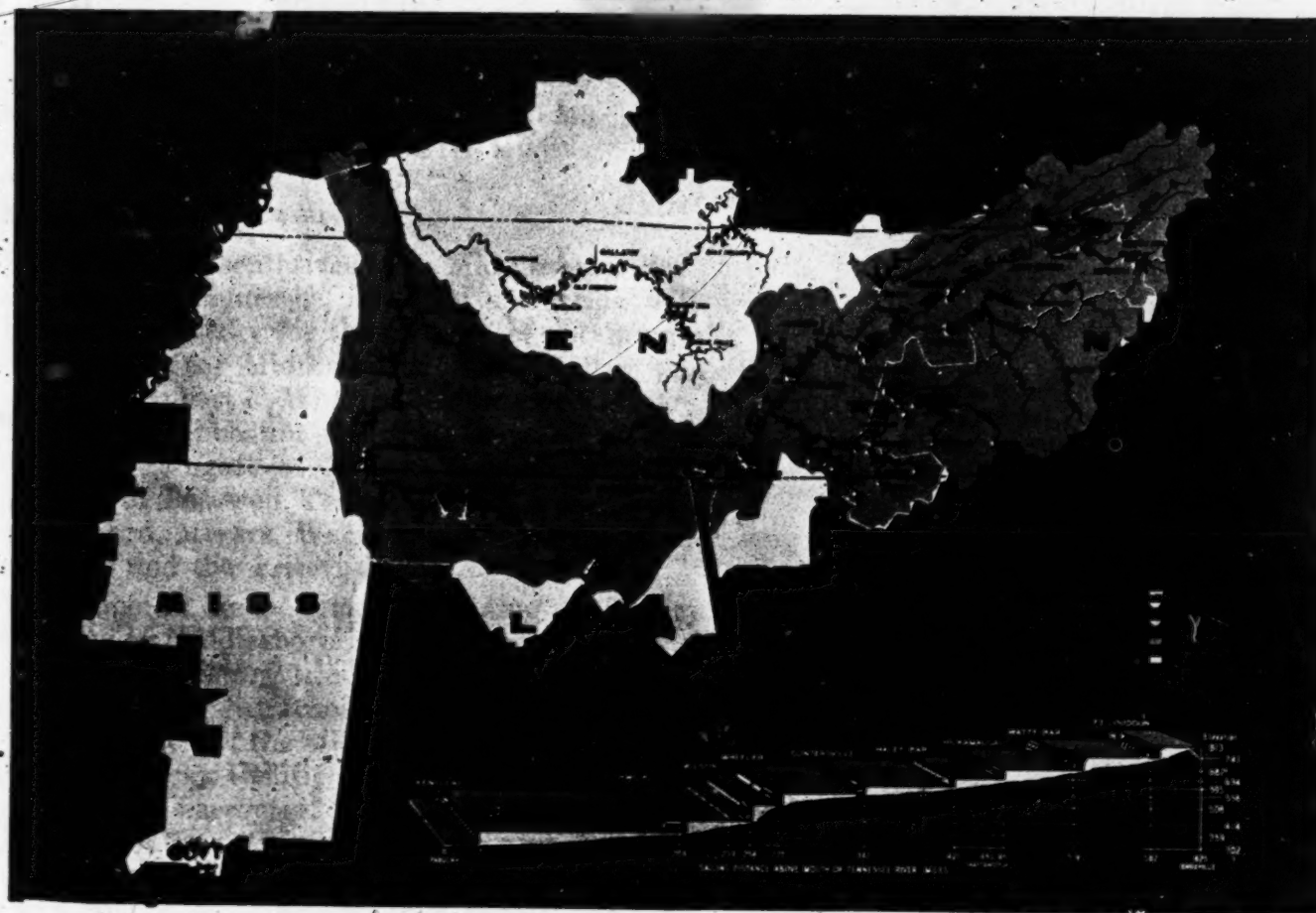
TAZEWELL, TENN.

[fol. 1242]

IN UNITED STATES DISTRICT COURT

809

EXHIBIT No. 97



[fol. 1243] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 98

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

To: Manager's Files, Chattanooga
From: James E. Watson, Director of Power Marketing,
Chattanooga
Date: February 17, 1960
Subject: Middlesboro—Tazewell

On February 4th representatives from Middlesboro, Kentucky, and Tazewell, Tennessee, attended a meeting with the TVA Board, supposedly for the purpose of obtaining a TVA power contract for Middlesboro. The meeting was attended by Mayor Hubert F. White of Middlesboro, Messrs. Lee Campbell, Lee Rennebaum and R. R. Long, all of Middlesboro; Mr. Tom Fugate of Ewing, Virginia; and Mr. Lawrence Russell of Tazewell, Tennessee. TVA was represented by the Board, Messrs. Wagner, McCarthy, Wessenauer, Kampmeier and the writer.

Mayor White opened the meeting by outlining the history of electric service in Middlesboro in much the same way as described in the brief history which the Mayor had sent to General Vogel with his [attached] letter of February 1, 1960. At the conclusion of the historical review, the Mayor stated that the Kentucky Utilities Company was now offering to pay the City 3 percent of the Company's gross revenues derived within the City in return for a new franchise. Middlesboro, however, did not want to grant a franchise if there was any chance of obtaining TVA power and they, therefore, were requesting a contract with TVA.

General Vogel explained to the Middlesboro delegates that TVA was very sympathetic with the City's position, but since the passage of the TVA Finance Bill, it was now prevented by law from serving them. The Mayor stated that it had been their feeling and that of Senator Cooper that Middlesboro was eligible for TVA power because the City was within five miles of the area served by TVA power on July 1, 1957. Mr. McCarthy, therefore, explained the language of

the Act which specifically excludes service to a municipality outside of the service area as of July 1957. The Mayor then asked if it would be possible for the City to build its own generating plant and later get TVA power. Mr. McCarthy replied that this would not be possible without a change in the TVA Act. General Vogel suggested that the City's representatives talk to Senator Cooper about the matter since legislation was required. Mr. Russell of Tazewell asked if it would be possible for them to have a TVA power contract and the TVA representatives explained that it would be legally possible because Tazewell was well within the area served by TVA power on July 1, 1957. The total population of Tazewell and New Tazewell, however, is only about 4,500 people which would be too small to support a separate electric system, and it was suggested that Tazewell might wish to talk to the Powell Valley Electric Cooperative about getting TVA service through that organization.

[fol. 1244] Mr. Campbell stated that all of the representatives present were interested in TVA's building a steam plant near Middlesboro. They suggested a site at a point where the Southern Railroad crosses the Powell River near the town of Arthur, Tennessee. They explained that this particular site had access to large coal reserves and large quantities of water. General Vogel explained that we had not yet made a determination as to the site of our next steam plant; that we were making our usual engineering and economic studies to determine the site which would provide the cheapest source of power to the people of the Tennessee Valley, and that our determination of the location would be based strictly on these cost figures. All agreed that this was the proper procedure for locating a plant and Mr. Campbell stated that they just wanted to be sure that their area was not overlooked in our studies.

J. E. W.

CC: P. S. Button, 809 Pr. B.,
Paul Evans, Knoxville,
R. A. Kampmeier, 830 Pr. B.,
C. J. McCarthy, Knoxville,
George P. Palo, Knoxville,
A. J. Wagner, Knoxville (4),
G. O. Wessenauer, 818 Pr. B.

[fol. 1245] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 99

TV-14190A

Agreement Among Tennessee Valley Authority, Powell Valley Electric Cooperative and Kentucky Utilities Company

This Agreement, made and entered into as of the 8th day of Oct., 1952, by and among Tennessee Valley Authority (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933 as amended, Powell Valley Electric Cooperative (hereinafter called "Cooperative"), a corporation duly created, organized and existing under and by virtue of the laws of the Commonwealth of Virginia, and Kentucky Utilities Company (hereinafter called "Company"), a corporation duly created, organized and existing under and by virtue of the laws of the Commonwealth of Kentucky;

Witnesseth:

Whereas, Cooperative and TVA have heretofore entered into an agreement in writing dated as of September 8, 1945 (which agreement as supplemented and amended is hereinafter called "Power Contract"), providing for the supply by TVA of Cooperative's electric power and energy requirements up to the maximum therein stated; and

Whereas, Cooperative's loads in the Tazewell, Tennessee, area have grown to such an extent that Cooperative is experiencing difficulty in supplying such loads over its 12.5 kv system from the Fitts Gap substation; and

Whereas, Company desires to establish an additional point of delivery of power in the Tazewell, Tennessee, area [fol. 1246] to the Company's subsidiary, the Dixie Power and Light Company, which is experiencing similar difficulty in supplying its loads in the Town of Tazewell, Tennessee; and

Whereas, the parties hereto now desire to enter into an agreement whereby the aforementioned difficulties may be relieved to their mutual benefit and economy;

Now, therefore, for and in consideration of the mutual

covenants herein contained and subject to the provisions of the Tennessee Valley Authority Act of 1933 as amended, the parties hereto covenant and agree as follows:

1. Company shall construct, operate, and maintain at its sole expense, a transmission line from a point on Company's system at Cumberland Gap, Tennessee, to the substation to be constructed, in accordance with Section 2 hereof, on a site to be selected by representatives of the parties hereto and acquired by the Cooperative at its sole expense, at or near the Town of Tazewell, Tennessee.

2. Cooperative shall with due diligence construct, or cause to be constructed, and shall thereafter own, operate and maintain at its sole expense on the site to be acquired by it in accordance with Section 1 hereof, a substation of not less than 5,000 kva capacity with sufficient space therein for the ultimate installation of eight (8) 15 kv oil circuit breakers. The equipment to be installed is said substation by Cooperative shall include, without limitation by reason of specification, a 5,000 kva, or larger transformer bank suitable for 33 or 66 kv operation with a low tension rating of 7.2/12.45 kv wye; a 500 kva, or larger, 12.47 kv, plus or minus .10% voltage regulator with parallel winding for double capacity [fol. 1247] at plus or minus 5% regulation; such 15 kv oil circuit breakers as from time to time may be required by Cooperative for its use; one 15 kv oil circuit breaker for the Company's use; and a 60 minute interval recording demand and watthour meter which will register all power and energy taken by Cooperative at the low-tension side of said substation. The substation to be constructed pursuant to this section is hereinafter called "Tazewell Substation."

3. Cooperative shall reserve for Company's use 1,500 kva of Tazewell Substation's capacity, and Company shall install, or cause to be installed, and shall thereafter operate and maintain at its sole expense in Tazewell Substation a 60 minute interval recording demand and watthour meter which will register all power and energy taken by Company at the low-tension side of said substation. Company shall make records from said meter available to Cooperative and/or TVA upon request. Cooperative hereby grants Company such rights in and on Cooperative's property as may be necessary for the use, installation, operation, and maintenance of the aforementioned metering equipment.

4. (a) Section 1 of Article III of an agreement dated as of March 22, 1951, between TVA and Company, which agreement is designated in TVA's files as Contract TV-11505A, is amended, effective with the date of initial delivery of power by Company to TVA at Tazewell Substation, by adding to the tabulation there set out, the following:

Delivery Point	Maximum Demand	Present Delivery Voltage	Future Delivery Voltage
High side of Powell Valley Electric Cooperative's Tazewell Substation...	1,500 kva	33,000	66,000

[fol. 1248] (b) Deliveries of power and energy to TVA at the point established in Section 4(a) hereof shall be made in accordance with the provisions of Articles III and V of said Contract TV-11505A.

5. (a) Cooperative shall permit TVA to make such tests of Cooperative's meter at Tazewell Substation as is deemed necessary or desirable in TVA's judgment. In the event such tests prove the meter is inaccurate by more than 2% fast or slow, TVA shall have the right to make such adjustments as may be necessary to bring the accuracy of the meter within the above limits. If such adjustments fail to improve the accuracy of the meter to such extent, Cooperative shall replace said meter. All readings and charts from said meter shall be TVA's property and TVA shall read said meter each month and shall furnish charts for said meter as required.

(b) Power and energy supplied by TVA to Cooperative through the system of Company as provided herein shall be delivered, taken and paid for in accordance with and subject to all the terms and provisions of the Power Contract except as expressly provided herein. For purposes of billing under the Power Contract the power and energy so delivered to Cooperative shall be the amounts registered on Cooperative's meter at Tazewell Substation plus the portion of transformer losses caused by Cooperative's load at said substation and these amounts shall be added on a simultaneous basis to the measurements of power and energy de-

livered to Cooperative by TVA at the Fitts Gap Substation.

[fol. 1249] 6. This agreement shall be effective as of the date first above written and shall remain in effect until the expiration of said Contract TV-11505A.

In Witness Whereof, the parties hereto have caused this instrument to be executed by their respective officers thereunto duly authorized, as of the day and year first above written.

Attest:

O. C. Albert, —, —.

Attest:

G. M. Kilgus, Assistant
Secretary.

Attest:

Leona LeRoy, Assistant
Secretary.

Powell Valley Electric Co-
operative.

By C. M. Collins, President.

Kentucky Utilities Company.

By M. Brown,
Vice President.

Tennessee Valley Authority.

By John Oliver,
General Manager.

[fol. 1250] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 101

TVA ANNUAL REPORT 1946

Power Contract Between Tennessee Valley Authority and
Powell Valley Electric Cooperative

This agreement, made and entered into as of the 8th day of September, 1945, between Tennessee Valley Authority (herein called "Authority"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933 as amended, its successors and assigns, and Powell Valley Electric Cooperative (herein called "Cooperative"), a corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Virginia, its successors and assigns; witnesseth:

Whereas, Authority, by section 10 of the Tennessee Valley Authority Act of 1933 as amended, is authorized to sell the surplus power generated by it and not used in its operations, and is directed to give preference to States, counties, municipalities, and cooperative organizations of citizens or farmers not organized or doing business for profit; and

Whereas, by section 11 of said Act it is provided that the sale of power by Authority shall be primarily for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available; and

Whereas, Cooperative has been organized under the laws of the Commonwealth of Virginia for the purpose of providing electric service to its members at the lowest cost consistent with sound business practice and without profit; and

Whereas, Cooperative desires to purchase power from Authority at wholesale for the operation of its electric system and Authority is willing to supply such power under the terms and conditions hereinafter stated; and

Whereas, all acts, things, and conditions necessary under law and Cooperative's articles of incorporation and bylaws to make this agreement the valid and binding obligation of

the parties hereto have been duly done, performed, and complied with;

Now, therefore, for and in consideration of the mutual covenants herein contained and subject to all of the provisions of the Tennessee Valley Authority Act of 1933 as amended, the parties hereto mutually covenant and agree as follows:

[fol. 1251] 1. *Term of contract.*—This contract shall become effective as of the date first above written, except that the provisions hereof with respect to the rendition of electric service and payment therefor at wholesale and retail and all computations of service and payment periods shall begin upon and as of the date when Cooperative has completed the transmission and substation facilities to be constructed pursuant to section 2 hereof and notifies Authority that it is ready to accept electric-service hereunder, such date being hereafter referred to as "date of initial delivery." This contract shall continue in effect for a term of twenty (20) years from the date of initial delivery; provided, however, that this contract shall automatically terminate if the date of initial delivery hereunder has not occurred prior to the 1 day of January, 1947.

2. *Construction of facilities.*—Cooperative shall, at its own expense, furnish all materials and labor for the construction of and construct a 66-kv transmission line from Authority's 66-kv Rogersville Substation to Fits Gap, and a 3,000 kva. 66/12-kv substation, including four 12-kv oil circuit breakers, together with appurtenant equipment. The said line and substation shall be constructed in accordance with plans and specifications which shall be approved in advance by Authority, and the facilities constructed shall be inspected and accepted by Authority before they are connected to Authority's system. The Authority shall at Cooperative's request, perform certain of the engineering associated with the construction of the said line and substation, and Cooperative shall reimburse Authority for its actual expenses of engineering and inspection, plus overheads in the amount of twelve and one-half (12½%) percent. The facilities to be constructed hereunder shall be and remain the property of Cooperative after the completion of the construction thereof until such time as Authority purchases them as hereinafter in this section provided. The

said facilities shall be operated and maintained in accordance with a supplemental agreement to be entered into by the parties until such time as Authority purchases them.

The Authority shall have the right at any time to purchase the said facilities at cost of construction, not to exceed \$240,000, less depreciation at the rate of three (3%) percent per annum. Authority shall be obligated to purchase such facilities on the above basis when, and if, Cooperative's average monthly maximum demand for billing purposes hereunder equals or exceeds twenty-five hundred kilowatts (2,500 kw) during a period of six (6) consecutive months.

3. *Power supply.*—Authority will, from the date of initial delivery hereunder and for the term of this contract, supply all of Cooperative's power requirements for corporate uses and for resale up to the maximum demand specified in section 4 hereof.

Cooperative shall in no event purchase power from any other source without the consent of Authority, unless Authority has refused to supply Cooperative such additional quantities of power as may have been applied for as provided herein, and then only to the extent of its requirements, in excess of the power available from Authority. Should Cooperative during the period of this contract, desire to increase its purchases of power in excess of the maximum provided herein, Cooperative may apply to Authority for additional quantities of power. Such application shall be in writing and shall be supported by proof of probable need for such additional power. Authority shall, within a reasonable time (which shall be determined in each instance by Authority but which in no case shall exceed twenty-four (24) months) and with due diligence, make arrangements to deliver such additional power, but only to the extent that Authority, in its judgment, has power available from its own generating plants after all requirements of Authority, the United States of America, and prior contractual commitments have been met. In the event reservation or substantial alteration of existing generating or transmission facilities or installation of additional generating or transmission facilities is necessary to enable Authority to fulfill Cooperative's request for increased quantities of power, Cooperative agrees to give Authority such assurances respecting increased use of power as in Authority's judgment may be

necessary to justify such reservation, alteration, or installation of facilities.

4. *Point of delivery and metering.*—The power and energy to be supplied hereunder shall be delivered at the delivery point designated below and, under normal operating conditions, shall be within commercial limits of sixty (60) cycles per second and the delivery voltage hereinafter specified for such point of delivery. Such power and energy shall be metered at the metering point specified below and, notwithstanding anything to the contrary appearing in the Schedule of Terms and Conditions attached hereto as a part hereof, [fol. 1252] the measurements of demand, energy, and power factor at such metering point shall be used for billing purposes without adjustment for transmission and transformation losses between the point of delivery and the point of metering.

Delivery point	Normal wholesale delivery voltage	Maximum demand (kva.)	Metering point
Authority's Rogersville 66-kv. substation.....	66,000	11,500	At low-tension side of pro- posed substation at Fitts Gap.

¹C. M. C. V. Pres. GRC.

Authority shall be obligated to have installed at such delivery point only such protective equipment as in its opinion is necessary for the protection of its facilities supplying energy to such delivery point, but in no case shall Authority be obligated to furnish more than one such installation for each delivery point. Cooperative agrees to operate its system and to design and construct future extensions so that it will be feasible to provide its entire power requirements from the point of delivery specified herein.

5. *Wholesale rates.*—Attached hereto and hereby made a part hereof is a "Schedule of Rates and Charges" wherein Cooperative is referred to as "Distributor." Cooperative agrees to pay for the energy supplied by Authority at the rates fixed in Wholesale Power Rate Schedule A. All payments shall be made to Authority at its principal offices at Wilson Dam, Alabama, or at such other place as Authority may from time to time designate.

6. *Resale rates.*—In order to assure a wide and ample

distribution of electricity in the area served by Cooperative, Authority and Cooperative agree as follows:

(1) Cooperative agrees that the surplus power purchased hereunder shall be sold and distributed to the ultimate consumer without discrimination between consumers of the same class, and that no discriminatory rate, rebate, or other special concession will be made or given to any customer.

(2) Cooperative agrees to charge consumers the rates set forth for the several classes thereof, and in Schedules B-1, BG, B-5.1 of the Schedule of Rates and Charges and not to depart therefrom except by agreement of the parties. Additional resale schedules for special classes of consumers or special uses of electricity may be added from time to time by agreement of the parties. The term "Distributor" in said schedule shall be construed to mean Cooperative. If it should appear that Cooperative is unable to maintain and operate its electric system on a self-supporting and financially sound basis, then Cooperative and Authority shall agree upon, and Cooperative shall put into effect, such changes in rates as will provide for the increased revenues necessary to place the system upon a self-supporting and financially sound basis.

7. *Amortization charges.*—Cooperative shall add to all billings for electric energy under Rate Schedules B-1 and BG an amortization charge of One Cent (1¢) per kilowatt-hour for the first one hundred kilowatt-hours (100 kwh) used per month, said charge to be not less than Twenty-five Cents (\$0.25) nor more than One Dollar (\$1) per billing per month. The proceeds of such charges shall be segregated from all other revenues and shall be deemed and considered trust funds applicable exclusively to the payment of the interest on or the principal of all notes, bonds, or other evidences of long-term indebtedness issued or assumed by Cooperative in the acquisition, improvement, or extension of its electric distribution system (hereinafter called the "System Indebtedness"). Such charge shall be continued until all System Indebtedness shall be fully paid and discharged, unless consent to an earlier removal of such charge be obtained from Authority and the holder or holders of a majority of then-outstanding System Indebtedness, including the consent of each agency of the Federal Government which may at such time be a holder of System Indebtedness.

8. *Disposition of cooperative's revenues.*—Cooperative, for the purpose of providing reasonable rates for electric service pursuant to this contract and to law, agrees to dispose of its gross revenues (not including the proceeds of amortization charges, which shall be disposed of as hereinbefore provided) in the following manner:

(a) Revenues shall first be used for the payment of all current operating expenses, including salaries, wages, cost of materials and supplies, taxes, power at wholesale, and insurance.

[fol. 1253] (b) From remaining revenues Cooperative shall next currently provide for the payment, at maturity, of interest on all System Indebtedness, and for amortization charges and/or sinking fund payments thereon.

(c) Thereafter, revenues shall be used currently to set up reasonable reserve for replacements, new construction, and for contingencies, and to provide a reasonable amount of cash working capital.

(d) All remaining revenues shall be considered surplus revenues and shall serve as a basis for the reduction or elimination of amortization charges and surcharges to consumers, and thereafter for the reduction of rates; provided, however, that Cooperative may, subject to the written consent of Authority, devote part or all of such surplus revenues to the purchase or retirement of System Indebtedness prior to maturity. Surplus revenues shall be computed as of June 30 of each year.

9. *Terms and conditions.*—Attached hereto and hereby made a part hereof is a "Schedule of Terms and Conditions." The provisions of this schedule may from time to time be changed or supplemented by written agreement of Cooperative and Authority. It is understood and agreed that the several provisions of said schedule, with such changes as may from time to time be adopted pursuant thereto, as well as the several provisions of this contract and of the Schedule of Rates and Charges, are of the essence of this contract.

10. *Rules and regulations.*—Attached hereto and hereby made a part hereof is a "Schedule of Rules and Regulations." Cooperative hereby adopts said schedule as the rules and regulations of Cooperative. The provisions of said schedule may be amended by Cooperative at any time upon ten (10)

days' written notice to Authority setting forth the nature of and the reason for the proposed change. No change shall be made in said schedule, however, which is inconsistent with or in violation of any of the provisions of this contract. In said schedule the term "Distributor" shall be construed to mean Cooperative.

* 11. *Rendition of advisory services by Authority.*—Authority agrees to render advisory services to Cooperative in problems of personnel and administration and to secure the attendance of its officers at meetings of the Cooperative or its Board of Directors, so far as may be practicable and convenient. Cooperative agrees to pay the reasonable value of such advisory services as are rendered by Authority at the written request of Cooperative.

12. *Maintenance of service.*—Cooperative agrees to maintain and operate its system in such manner, including the maintenance of personnel and equipment at appropriate points throughout its system, as to provide for the system's efficient operation and for good and reliable service to consumers. Cooperative agrees that it will not employ or retain in its employ any person whom Authority or the Administrator of Rural Electrification Administration reasonably consider not qualified for his position or whose services Authority or said Administrator reasonably deem to be unnecessary.

13. *Use of lines for transmission purposes.*—Authority is hereby granted the right, privilege, and authority to use all electric lines of Cooperative, to the extent of their capacity in excess of the requirements of Cooperative, for the purpose of transmitting electric energy to other municipalities, public agencies, or cooperatives which may desire to purchase power at wholesale from Authority. Authority shall be obligated to pay Cooperative the additional cost, including additional fixed charges and operating and maintenance costs imposed on Cooperative by permitting such use of its facilities by Authority, and to indemnify and save Cooperative harmless from any loss, damage, injury, or casualty to persons or property caused by Authority's exercise of such permitted use.

14. *Reports to Authority.*—Cooperative agrees that not later than the first day of September of each year it will render to Authority a complete report, in such form as

Authority may prescribe, of the results of its operations for the preceding year ending June 30, the condition of its property, and such other information as Authority may reasonably request. Cooperative agrees promptly to render such additional reports and information to Authority as Authority may from time to time reasonably request.

15. *Waiver of defaults.*—Any waiver at any time by either party hereto of its rights with respect to any default of the other party hereto and/or with respect to any other matter arising in connection with this contract shall not be considered a waiver with respect to any subsequent default or matter.

16. *Contract not transferable.*—Neither this contract nor any interest therein shall be transferable or assignable by Cooperative to any party other than the United States of America or any agency thereof without the consent in writing of Authority.

[fol. 1254] In witness whereof, the parties hereto have caused this instrument to be executed by their duly authorized officers as of the day and year first above written.

[SEAL]

TENNESSEE VALLEY AUTHORITY,
By (s) GORDON R. CLAPP, General Manager.
C. A. R., Legal Department.

Attest:

(s) LEONA LEROY, Assistant Secretary.

POWELL VALLEY ELECTRIC COOPERATIVE,
By (s) C. M. COLLINS, Vice President.

Attest:

(s) O. C. ALBERT, Secretary.

Approved by TVA Board of Directors, September 12, 1945.

L. L., Assistant Secretary.

SCHEDULE OF RATES AND CHARGES

Wholesale Power Rate—Schedule A

Availability

Primary power purchased for resale available to states, counties, municipalities, and cooperative organizations of citizens or farmers.

Rate

Demand charge.—Ninety cents per kilowatt of demand per month.

Energy charge.—First 100,000 kilowatt-hours consumed per month at 4 mills per kilowatt-hour, next 200,000 kilowatt-hours consumed per month at 3 mills per kilowatt-hour, next 700,000 kilowatt-hours consumed per month at 2.5 mills per kilowatt-hour, excess over 1,000,000 kilowatt-hours consumed per month at 2 mills per kilowatt-hour.

Charge for energy in excess of 360 times the total demand as hereinafter defined shall be subject to a reduction of 0.5 mill per kilowatt-hour from the otherwise applicable rate.

Determination of Demand

The demand for any month for which determination is made shall be defined as the highest average load measured in kilowatts during any 60 consecutive minute period of the month, but, at the Authority's option, when the power factor is found to be lower than 85 percent, the demand shall be defined as 85 percent of the highest average kilovolt-amperes measured during any 60 consecutive minute period of the month.

Minimum Monthly Bill

Ninety cents per kilowatt of demand, but in no case shall the minimum bill be less than the charge for 60 percent of the highest demand occurring during any month within the previous consecutive twelve-month period.

Allowance for Sales to Residential Customers

Authority will adjust bill so that the energy charge shall be 2 mills per kilowatt-hour for at least so much energy as may be sold by Distributor under the residential resale schedule at 4 mills per kilowatt-hour.

Single-Point Delivery

The above rates are based upon the supply of service through a single delivery and metering point, and at a single voltage. Separate supply for the same customer at other points of delivery, or at different voltage, shall be separately metered and billed.

STANDARD RESIDENTIAL RATE—SCHEDULE B-1

Availability

Available for domestic use to all residential customers served from local alternating current distribution systems. Service under the Standard Residential Rate shall apply only to electric service in a single private dwelling and its appurtenances, the major use of which is for lighting and [fol. 1255] household appliances, for the personal comfort and convenience of those residing therein. Private dwellings in which space is occasionally used for the conduct of business by a person residing therein will be served under the Standard Residential Rate. Where a portion of a dwelling is used regularly for the conduct of business, the electricity consumed in that portion so used will be separately metered and billed under the appropriate Basic Lighting and Power Rate. If separate circuits are not provided by the customer, the entire premises shall be classified as non-residential and billed accordingly. The Standard Residential Rate shall not apply to service to institutions such as clubs, fraternities, orphanages or homes; recognized rooming or boarding houses; the space in an apartment or other residential building primarily devoted to use as an office or studio for professional or other gainful purposes.

Character of Service

Alternating-current service at approximately 60 cycles, 120 or 240 volts, either single-phase, two-wire or three-wire; or, three-phase, three-wire or four-wire, as may be required by Distributor.

Rate

First 50 kilowatt-hours consumed per month at 3 cents per kilowatt-hour, next 150 kilowatt-hours consumed per month at 2 cents per kilowatt-hour, next 200 kilowatt-hours consumed per month at 1 cent per kilowatt-hour, next 1,000 kilowatt-hours consumed per month at 0.4 cent per kilowatt-hour, excess over 1,400 kilowatt-hours consumed per month at 0.75 cent per kilowatt-hour.

Minimum Monthly Bill

\$0.75 per meter.

Payment

Above rates are net, the gross rates being 10 percent higher. In the event that the current monthly bill is not paid within 10 days from date of bill, the gross rates shall apply.

Single-Point Delivery

The above rates are based upon the supply of service to the entire premises through a single delivery and metering point, and at a single voltage. Separate supply for the same customer at other points of consumption, or at a different voltage, shall be separately metered and billed.

Service under this classification is subject to Rules and Regulations of Distributor.

GENERAL LIGHTING AND POWER RATE, SCHEDULE BG

Availability

Available to all customers except to those to whom service is available under the Residential or Street Lighting Schedules.

Character of Service

Alternating current, single or three-phase, 60 cycles. Voltage supplied will be at the discretion of the Distributor and will be determined by the voltage available from distribution lines in the vicinity and/or other conditions.

Rate

If the customer's demand for the month does not exceed 10 kilowatts: First 150 kilowatt-hours per month at 3.0 cents per kilowatt-hour; next 350 kilowatt-hours per month at 2.0 cents per kilowatt-hour; next 1,250 kilowatt-hours per month at 1.0 cent per kilowatt-hour; additional energy at 0.8 cent per kilowatt-hour.

If the customer's demand for the month is over 10 but not over 40 kilowatts: *Demand charge*.—First 10 kilowatts of demand per month, no demand charge; excess over 10 kilowatts of demand per month, at \$1.00 per kilowatt.

Energy charge.—First 150 kilowatt-hours per month at 3.0 cents per kilowatt-hour; next 350 kilowatt-hours per month at 2.0 cents per kilowatt-hour; next 1,250 kilowatt-hours per month at 1.0 cent per kilowatt-hour; next 13,250 kilowatt-hours per month at 0.8 cent per kilowatt-hour; additional energy at 0.55 cent per kilowatt-hour.

[fol. 1256] If the customer's demand for the month is over 40 kilowatts: *Demand charge*.—First 1,000 kilowatts of demand per month at \$1.00 per kilowatt; excess over 1,000 kilowatts of demand per month at 0.90 per kilowatt.

Energy charge (subject to a reduction of 0.05 cent per kilowatt-hour in excess of 360 kilowatt-hours per kilowatt of the demand).—First 15,000 kilowatt-hours per month at 0.8 cent per kilowatt-hour; next 25,000 kilowatt-hours per month at 0.6 cent per kilowatt-hour; next 60,000 kilowatt-hours per month at 0.4 cent per kilowatt-hour; next 400,000 kilowatt-hours per month at 0.3 cent per kilowatt-hour; additional energy at 0.25 cent per kilowatt-hour.

Minimum Monthly Bill

The minimum monthly bill shall be \$1.00, plus \$0.50 per kilowatt for the excess over 10 kilowatts of the highest demand during the 12 months ending with the current month.

Seasonal Service

Customers who contract for service on a seasonal basis shall pay the above rates plus 10 percent. For such customers the "Minimum Monthly Bill" provided above shall not apply. Instead, such customers shall pay a minimum

monthly bill of \$5.00 so long as service is cut in, provided that such customers shall pay a minimum annual bill of \$6.00 per kilowatt of the maximum demand established, and shall pay in addition the actual cost of cut-ins and cut-outs in excess of one of each per year.

Surcharge

Bills, including minimum bills and bills for seasonal service, are subject to Distributor's surcharge. The surcharge will be based on a straight percentage of the bill.

Determination of Demand

The Distributor will measure the demands of all customers having a connected load in excess of 10 kilowatts. Demand measurement shall be made by suitable instruments at the point of delivery. The demand for any month shall be defined at the highest average load measured in kilowatts during any 30 consecutive-minute period of the month, but at Distributor's option, when the power factor is found to be lower than 85 percent, the demand shall be defined as 85 percent of the highest average kilovolt-amperes measured during any 30 consecutive-minute period of the month.

Contract Requirement

Customers whose demand exceeds 20 kilowatts will be required to execute contracts for a minimum term of one year which may provide for minimum charges in excess of those described herein.

Payment

Above rates are net, the gross rates being 10 percent higher. In the event the current monthly bill is not paid within 10 days from date of bill, the gross rates shall apply.

Single-Point Delivery

The above rates are based upon the supply of service through a single delivery and metering point, and at a single voltage. Separate supply for the same customer at other points of consumption, or at different voltage, shall be separately metered and billed.

Service under this classification is subject to Rules and Regulations of Distributor.

STANDARD STREET LIGHTING RATE—SCHEDULE B-5.1

Availability

Available for street-lighting systems, including street lighting, signal systems, and roadway and park lighting, for a term of not less than one year.

Character of Service

Alternating-current service, either series or multiple system or in combination, at option of Distributor.

[fol. 1257]

Rate

The rate for this service consists of two parts, as follows:

I. *Investment charge*.—The annual investment charge (for the cost of operation, maintenance, taxes, and depreciation, and for return on investment) shall be 12 percent of the investment in the street-lighting system, determined as set forth below. Such charge shall be adjusted under the circumstances set forth below. This charge will be recomputed on July 1 of each year and one-twelfth of the total annual charge so computed will be billed customer monthly.

II. *Energy charge*.—First 250 kilowatt-hours consumed per month at 3 cents per kilowatt-hour, next 750 kilowatt-hours consumed per month at 2 cents per kilowatt-hour, next 1,000 kilowatt-hours consumed per month at 1 cent per kilowatt-hour, excess over 2,000 kilowatt-hours consumed per month at 0.8 cent per kilowatt-hour.

Method of Determining Distributor's Investment

The investment in property and equipment used as a basis for the investment charge contained in this schedule shall consist of the cost of such property and equipment, including the full amount shown in the plant account entitled "Street Lighting and Signal Systems." If any part of the street-lighting system has not been built at the expenses of Dis-

tributor, a deduction shall be made from the annual investment charge in the amount of 6 percent of the investment in such part.

If the cost of any part of the street-lighting system operated by the electricity department of Distributor is carried on the books of other municipalities or agencies or other municipal departments of Distributor, retirements and additions to such property will be made by the electricity department and charged to the department upon the books of which the cost of the property is reflected, or to the other agency owning such property. The investment charge applicable to this portion of the system will be 2 percent per year.

Lamp Renewals

Distributor shall keep a record of the number and type of lamp replacement and customer shall be billed monthly for the replacements during the month at actual cost to Distributor, including appropriate overheads.

Relocation of Lamps

Distributor shall, at the request of customer, relocate or change existing equipment. Customer shall reimburse Distributor for such changes at actual cost, including appropriate overheads.

Metering

All energy consumed under this schedule shall be metered excepting installations where, in the opinion of Distributor, metering would be impracticable.

When the consumption is metered, the meters shall be installed in or connected to the lighting circuit and the billing shall include the energy delivered to and consumed in all circuits and equipment used exclusively for street lighting purposes. If more than one meter is used, the readings shall be consolidated for billing purposes.

When the energy is not metered, and also when a meter reading is found to be in error, the consumption for billing purposes shall be computed from the rated capacity of the lamps, plus 5 percent for losses, multiplied by the number of hours of use.

Payment

The rates included herein are net, the gross rates being 10 percent higher. In the event the current monthly bill is not paid within 10 days from date of bill, the gross rates shall apply.

Service under this classification is subject to Rules and Regulations of Distributor.

SCHEDULE OF TERMS AND CONDITIONS OF CONTRACT

1. *Measurement of demand, energy, and power factor.*—Demand and energy measurements shall be made by suitable instruments at the point or points of delivery or may, at the option of Authority, be made at some other point or points where housing facilities are available or may be made available and/or operation simplified; provided, however, that in the event the metering is effected at some other location than at point of delivery, suitable correction shall be made by Authority of the amounts determined at such location so that the adjusted amounts will so far as possible reflect the exact quantities delivered at the actual point or points of delivery.

Authority will, at its own expense, install and maintain the necessary meters for measuring the maximum demand and the amount of energy furnished Cooperative; provided, that should these meters fail or be found inaccurate the maximum demand and amount of energy delivered will be estimated by Authority from the best information available. Authority may also, at its option, from time to time measure power factor. Cooperative shall permit the use of its housing facilities, ducts, and supports for Authority's metering equipment.

Cooperative shall have the right to install, equip, and maintain at its own expense suitable instruments for measuring demand, power factor, and energy adjacent to Authority's measuring devices for purposes of a check on said devices, and Authority agrees that it will so far as practicable provide suitable facilities for the installation of such metering devices within its substation enclosures.

2. *Meter tests.*—Authority will, at its own expense and

in the presence of representatives of Cooperative, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. Authority will make additional tests or inspections of its meters at the request of Cooperative and in the presence of representatives of Cooperative. If such additional tests show that the meter is accurate within 2%, slow or fast, no adjustment will be made in Cooperative's bill, and the testing charge will be paid by Cooperative. In case the test shows the meter to be in excess of 2%, fast or slow, an adjustment shall be made in Cooperative's bill over a period of not over thirty (30) days prior to date of such test, and cost of making test shall be borne by Authority.

3. *Cooperative's lines and equipment—Ownership.*—All lines and substations from point of Delivery (as defined in the contract of which these terms and conditions are a part), and all electrical equipment, except the metering equipment of Authority, located on Cooperative's side of such Point of Delivery shall be furnished and maintained by Cooperative.

4. *Inspections.*—Authority shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and Authority reserves the right to reject any wiring or equipment not in accordance with Authority's reasonable standards; but such inspection, or failure to inspect or to reject shall not render Authority liable or responsible for any loss or damage resulting from defects in the installation of any electrical equipment, from violation of the contract of which these terms and conditions are a part, or from accidents which may occur upon Cooperative's premises.

5. *Cooperative's responsibility for Authority's property.*—All meters, service connections, and other equipment furnished by Authority shall be and remain the property of Authority. Cooperative shall exercise proper care to protect the property of Authority on Cooperative's premises, and in the event of loss or damage to Authority's property, arising from neglect of Cooperative to care for same, the cost of necessary repairs or replacement shall be paid by Cooperative.

6. *Right of access.*—Authority's identified employees shall have access to Cooperative's premises at all reasonable times for the purpose of reading meters, and for testing, repairing,

renewing, or exchanging any or all equipment belonging to Authority.

7. *Additional load.*—The service connection, transformers, meters, and equipment supplied by Authority for Cooperative have definite capacity and no addition to the equipment or load connected thereto, in excess of such capacity, shall be made except after reasonable notice to Authority. Failure to give such notice of additions or changes in load shall render Cooperative liable for any damage to Authority's lines or equipment caused by the additional or changed installation.

8. *Cooperative's lines and equipment—Standards.*—All lines and equipment of Cooperative must conform to accepted modern practice, as exemplified by the requirements of the National Electrical Safety Code and the National Electric Code.

9. *Accounting and handling of funds.*—Cooperative agrees:

(a) To administer its electric system as a separate department, to establish and maintain a separate fund for its revenues from electrical operations, and not to mingle funds or accounts with those of any other of its operations.

(b) To keep the general books of accounts of its electric system according to a system of accounts to be prescribed by Authority after conference with Cooperative, which system of accounts will so far as possible be uniform with other systems prescribed and applied in other cooperative associations purchasing electrical energy from Authority. Authority will render such advisory accounting service in the setting up and administering of such accounts as Authority may deem reasonable.

(c) To furnish promptly to Authority such operating and financial statements relating to electric system operations as may reasonably be requested by Authority. In the event of failure to furnish promptly such operating and financial statements, Authority, following written notification to Cooperative of intention so to do, may with its own staff perform all work necessary to collect such data as is reasonably desired. Cooperative agrees to reimburse Authority its actual expenses incurred, including salaries, subsistence, and traveling expenses of personnel so engaged.

(d) To allow the duly authorized agents of Authority to

have free access at all reasonable times to all books and records relating to electric system operations.

10. *Billing.*—Payment for energy used in any monthly period shall be due fifteen (15) days after Authority's meter reading date or five (5) days after receipt of bill from Authority, whichever is later. Upon failure of Cooperative to pay for the energy used in any monthly period within sixty (60) days after due date, Authority shall have the right, upon reasonable notice, to discontinue the supply of energy and refuse to resume delivery so long as any part thereof remains unpaid. Discontinuance of supply under this section will not relieve Cooperative of its liability for the agreed minimum monthly payment during the time the supply of energy is so discontinued. To any amount remaining unpaid fifteen (15) days after the due date, there shall be added a penalty of one (1) percent and an additional one (1) percent shall be added for each succeeding thirty (30) day period until the amount is paid in full. All payments shall be made to the Authority at its offices at Wilson Dam, Alabama, or at such other place as Authority may from time to time designate.

11. *Interrupting of Service.*—Authority will furnish energy as agreed upon continuously so far as reasonable diligence will permit; but Authority, its officers, agents, or employees shall not be liable for damages when, for any reason, suspensions of the operation of the generation and transmission system serving Cooperative or any part thereof interfere with the delivery of electric energy to Cooperative, nor shall such an interruption constitute a breach of this contract on the part of Authority, but Authority shall make appropriate adjustment of the demand charge in the event of an interruption.

12. *Lower rates to other wholesale customers.*—If at any time during the term of this agreement Authority should supply electricity to any municipality, municipal division or department, or cooperative association at a lower rate schedule than that applicable to Cooperative, and such lower rate schedule shall not be justified in the judgment of Authority by different conditions of service, making the cost to such other municipality, division, department, or cooperative relatively less than to Cooperative, such lower rate shall be made available to Cooperative so long as such lower rate

schedule shall be given to such other customer while this contract is in force.

13. *Developmental surcharge.*—In order to maintain Cooperative's revenues in the developmental period during which Cooperative is building up its load, Cooperative may also impose a surcharge upon those classes of consumers subject to a surcharge under the provisions of the Schedule of Rates and Charges. Cooperative may initially determine and may from time to time vary such surcharge, with the understanding, however, that all surplus revenues (as defined in the contract of which Schedule is a part) shall serve as a basis for the reduction or elimination of such surcharge. The surcharge shall be based on a straight percentage of bills and shall apply uniformly to all classes as to which surcharges are authorized.

14. *Adjustment of rates.*—In the event a major increase or decrease in general price and wage levels of such a substantial character as materially and substantially to change the cost basis upon which the wholesale rates fixed by this contract are predicated, the parties hereto agree to an adjustment of such rates. Should the cost-of-living index for the United States as a whole compiled by the Department of Labor or the United States show a decrease for a period of six consecutive calendar months, or for any month in said period if index figures are not reported for each month thereof, of thirty (30) percent or more under the index figures for the index period including the month in which this contract is signed, or for any month in said period if index figures are not reported for each month thereof, Cooperative and Authority shall agree to such a reduction in rates as will conform to the decreased cost of electricity supply, and should such index figures show a thirty (30) percent or more increase for the same period or month, as the case may be, Authority and Cooperative shall agree to such an increase in rates as will conform to the increased costs of [fol. 1260] electricity supply. Cooperative and Authority agree, promptly upon receipt of a request by either, to confer with each other on the changes in rates necessary to conform to changes in the cost of electricity supply and to endeavor to agree upon new rates which shall so conform. The new rates shall be substituted for the wholesale rates set forth in the contract of which this schedule is a part.

15. *Reduction in rates.*—Authority agrees to reduce the wholesale rates herein fixed whenever, in the opinion of Authority, reductions in the cost of generating and transmitting energy make feasible such reductions in rates, the intention of the parties being that Cooperative shall participate in the benefits of reductions in the cost of generation and transmission.

16. *Voltage fluctuations caused by Cooperative.*—Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances to Authority's system. Authority may require Cooperative at its own expense to install suitable apparatus to reasonably limit such fluctuations.

17. *Balancing of loads.*—Cooperative shall at all times take and use energy in such manner that the load will be balanced between phases to within nominally 10%. In the event of unbalanced polyphase loads, Authority reserves the right to require Cooperative at its own expense to make the necessary changes to correct this condition or to compute the balancing demand on the assumption that the load of each phase is equal to that on the greatest phase.

18. *Notice of trouble.*—Cooperative shall notify Authority immediately should the service be unsatisfactory for any reason or should there be any defects, trouble, or accidents affecting the supply of electricity. Such notices, if verbal, should be confirmed in writing.

19. *Submetering.*—Cooperative shall not sell electricity for submetering or further resale.

20. *Conflict.*—In case of conflict between any express contractual provision or any provision of the Schedule of Rates and Charges and these Terms and Conditions, the Contract or Rate Schedule shall apply.

SCHEDULE OF RULES AND REGULATIONS

1. *Application for service.*—Each prospective Customer desiring electric service may be required to sign Distributor's standard form of application for service or contract before service is supplied by the Distributor.

2. *Deposit.*—A deposit or suitable guarantee approximately equal to twice the average monthly bill may be required of any Customer before electric service is supplied. Distributor may at its option return deposit to Customer

after one year. Upon termination of service, deposit may be applied by Distributor against unpaid bills of Customer, and if any balance remains after such application is made, said balance shall be refunded to Customer.

3. *Point of delivery.*—The point of delivery is the point, as designated by Distributor, on Customer's premises where current is to be delivered to building or premises. All wiring and equipment beyond this point of delivery shall be maintained by Customer.

4. *Customer's wiring—Standards.*—All wiring of Customer must conform to Distributor's requirements and accepted modern standards, as exemplified by the requirements of the National Electrical Safety Code and the National Electric Code.

5. *Inspections.*—Distributor shall have the right, but shall not be obligated, to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with Distributor's standards; but such inspection or failure to inspect or reject shall not render Distributor liable or responsible for any loss or damage resulting from defects in the installation, wiring, or appliances, or from violation of Distributor's rules, or from accidents which may occur upon Customer's premises.

6. *Underground service lines.*—Customers desiring underground service lines from Distributor's overhead system must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by Distributor on request.

7. *Customer's responsibility for distributor's property.*—All meters, service connections, and other equipment furnished by Distributor shall be, and remain, the property of Distributor. Customer shall provide a space for, and exercise proper care to protect the property of Distributor on its premises; and in the event of loss or damage to Distributor's property, arising from neglect of Customer to care for same, the cost of the necessary repairs or replacements shall be paid by Customer.

[fol. 1261] 8. *Right of access.*—Distributor's identified employees shall have access to Customer's premises at all reasonable times for the purpose of reading meters, testing, repairing, removing, or exchanging any or all equipment belonging to Distributor.

9. *Billing.*—Bills will be rendered monthly and shall be paid within ten (10) days from date of bill at the office of Distributor. Failure to receive bill will not release Customer from payment obligation. Should bills not be paid as above, Distributor may at any time thereafter, upon five (5) days' written notice to Customer, discontinue service. Bills paid on or before the final date of payment shall be payable at the net rates, but thereafter the gross rates shall apply, as provided in the Schedule of Rates and Charges. Should the final date for payment of the bill at the net rates fall on a Sunday or holiday, the business day next following the final date will be held as a day of grace for delivery of payment. Net rate remittances received by mail after the time limit for payment of said net rates will be accepted by Distributor if the incoming envelope bears United States Post Office date stamp of the final date for payment of the net amount or any date prior thereto.

10. *Discontinuance of service by distributor.*—Distributor may refuse to connect or may discontinue service for the violation of any its Rules and Regulations, or for violation of any of the provisions of the Schedule of Rates and Charges, or of the application of Customer or contract with Customer. Distributor may discontinue service to Customer for the theft of current or the appearance of current theft devices on the premises of Customer. The discontinuance of service by Distributor for any causes as stated in this rule does not release Customer from his obligation to Distributor for the payment of minimum bills as specified in application of Customer or contract with Customer.

11. *Reconnection charge.*—Whenever service has been discontinued by Distributor, as provided above, or a trip is made for the purpose of discontinuing service, a charge of not less than One Dollar (\$1.00) may be collected by Distributor before service is restored.

12. *Termination of contract by customer.*—Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days' written notice to that effect, unless contract specifies otherwise. Notice to discontinue service prior to expiration of contract term will not relieve Customer from any minimum or guaranteed payment under any contract or rate.

13. *Service charges for temporary service.*—Customers requiring electric service on a temporary basis may be re-

quired by Distributor to pay all costs for connection and disconnection incidental to the supplying and removing of service. This rule applies to circuses, carnivals, fairs, temporary construction, and the like.

14. *Interruption of service.*—Distributor will use reasonable diligence to provide a regular and uninterrupted supply of current, but in case the supply of current should be interrupted or disturbed for any cause, Distributor shall not be liable for damages resulting therefrom.

15. *Voltage fluctuations caused by customer.*—Electric service must be used in such a manner as to cause unusual fluctuations or disturbances to Distributor's system. Distributor may require Customer, at his own expense, to install suitable apparatus which will reasonably limit such fluctuations.

16. *Additional load.*—The service connection, transformers, meters, and equipment supplied by Distributor for each Customer have definite capacity, and no addition to the equipment or load connected thereto will be allowed except by consent of Distributor. Failure to give notice of additions or changes in load, and to obtain Distributor's consent for same, shall render Customer liable for any damage to any of Distributor's lines or equipment caused by the additional or changed installation.

17. *Standby and resale service.*—All purchased electric service (other than emergency or standby service) used on the premises of Customer shall be supplied exclusively by Distributor, and Customer shall not, directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric service or any part thereof.

18. *Notice of trouble.*—Customer shall notify Distributor immediately should the service be unsatisfactory for any reason, or should there be any defects, trouble, or accidents affecting the supply of electricity. Such notices, if verbal, should be confirmed in writing.

19. *Nonstandard service.*—Customer shall pay the cost of any special installation necessary to meet his peculiar requirements for service at other than standard voltages, or standard practice.

20. *Meter tests.*—Distributor will, at its own expense, make periodical tests and inspections of its meters in order for the supply of closer voltage regulation than required by

to maintain a high standard of accuracy. Distributor will [fol. 1262] make additional tests or inspections of its meters at the request of Customer. If tests made at Customer's request show that the meter is accurate within two percent (2%), slow or fast, no adjustment will be made in Customer's bill, and the testing charge of One Dollar (\$1.00) per meter will be paid by Customer. In case the test shows meter to be in excess of two percent (2%) fast or slow, an adjustment shall be made in Customer's bill over a period of not over thirty (30) days prior to date of such test, and cost of making test shall be borne by Distributor.

21. *Extensions and additions to street lighting systems.*—Distributor shall, at the request of a customer for street lighting service, provide additions and extensions to the street lighting system, provided that if, in any year ending June 30, Customer requests additions or extensions with a total cost in excess of five percent (5%) of the investment in street lighting property and equipment, Customer may be required to finance such excess cost.

22. *Billing adjusted to standard periods.*—The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service, cotton gins, and other seasonal customers excepted) and final billings of all accounts (temporary service excepted) where the period covered by the billing involves fractions of a month, the demand charges and the blocks of the energy charge will be adjusted to a basis proportionate with the period of time during which service is extended.

23. *Athletic field lighting.*—Athletic field lighting installations not owned or maintained by Distributor may be served on an off-peak basis in accordance with the provisions of the Standard Street Lighting Rate, Schedule B-5.1. An investment charge of twelve percent (12%) annually based on the cost to Distributor of furnishing and installing the equipment devoted to supplying this service shall be applied as the equivalent of the maintenance charge or investment charge provided for in the rate schedule. Energy will be billed in accordance with the street lighting schedule and each installation will be considered a separate customer for billing purposes. Customer's bills rendered in accordance

with this provision shall be subject to any surcharge and amortization charge applied by Distributor. The off-peak period shall be determined by Distributor, but in no case shall it commence earlier than 7 p.m. Customer may be permitted to use up to ten percent (10%) (not to exceed 10 kilowatts) of the total installed lighting capacity prior to the commencement of the off-peak period, such use to be considered off-peak for billing purposes. In the event Customer fails to restrict service in accordance with these requirements, he shall be billed under the appropriate Large or Small Lighting and Power Rate.

24. *Scope.*—This Schedule of Rules and Regulations is a part of all contracts for receiving electric service from Distributor, and applies to all service received from Distributor, whether the service is based upon contract, agreement, signed application, or otherwise. A copy of this schedule, together with a copy of Distributor's Schedule of Rates and Charges, shall be kept open to inspection at the offices of Distributor.

25. *Revisions.*—These Rules and Regulations may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes, when effective, shall have the same force as the present Rules and Regulations.

26. *Conflict.*—In case of conflict between any provision of any rate schedule and the Schedule of Rules and Regulations, the rate schedule shall apply.

* * * * * *

[fol. 1263] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 106

Exhibits 2 and 3

The information requested for these two exhibits is combined as follows:

Only a small amount of the power from the Fitts Gap Substation serves any part of Claiborne County. In the interest of simplification I have offset this against an equal amount of power from the Tazewell Substation which goes to Union County. These two amounts have been considered as offsetting and have been disregarded. The remainder of the power from the Tazewell Substation goes approximately 86.5 percent to Claiborne County and 13.5 percent to counties other than Claiborne.

Kentucky Utilities Company—shown on right hand side of each column.
Powell Valley Electric Cooperative—shown on left hand side of each column.
*Includes off peak meter for water heating (300 KW).

2

\$ 45.53

\$ 55.53

\$ 65.53

\$ 75.53

\$ 85.53

\$ 95.53

1

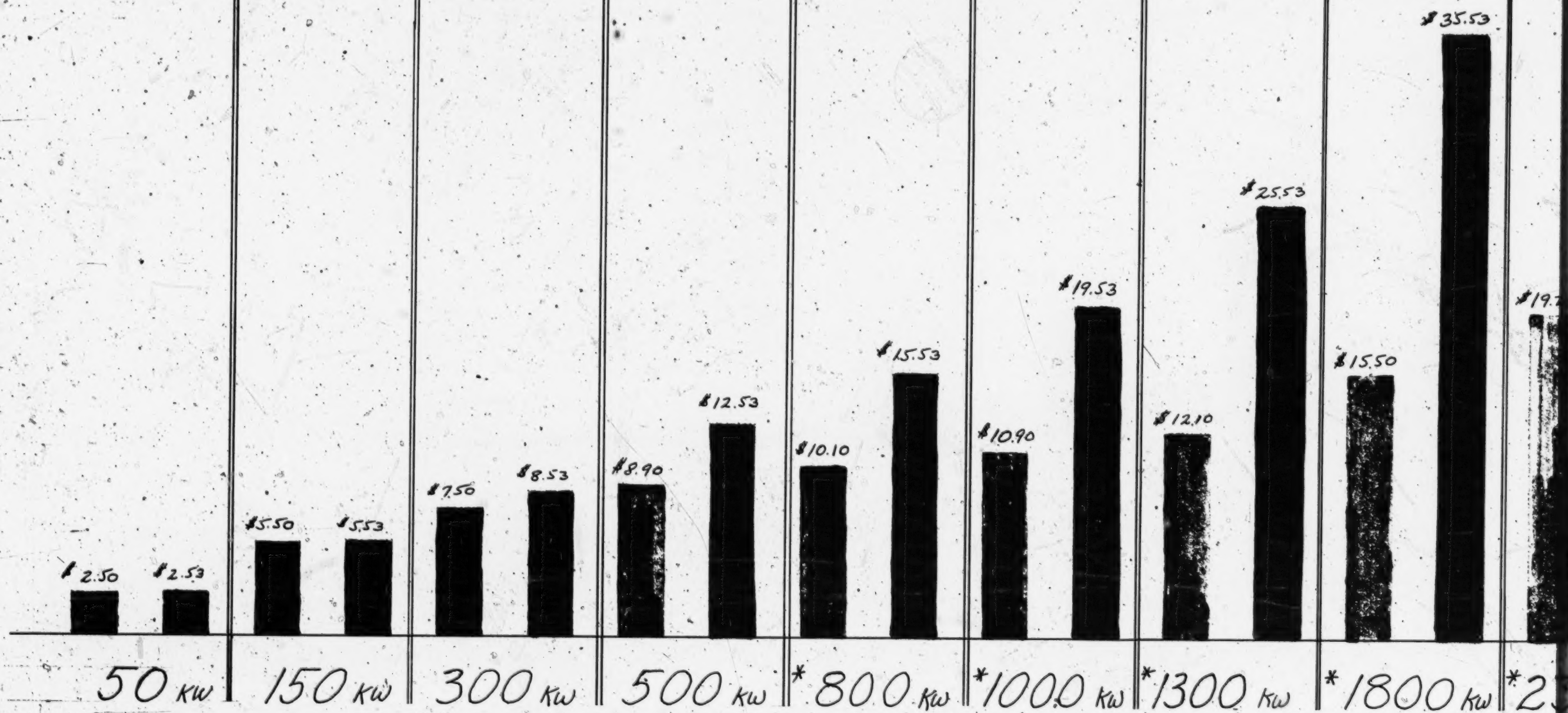
2

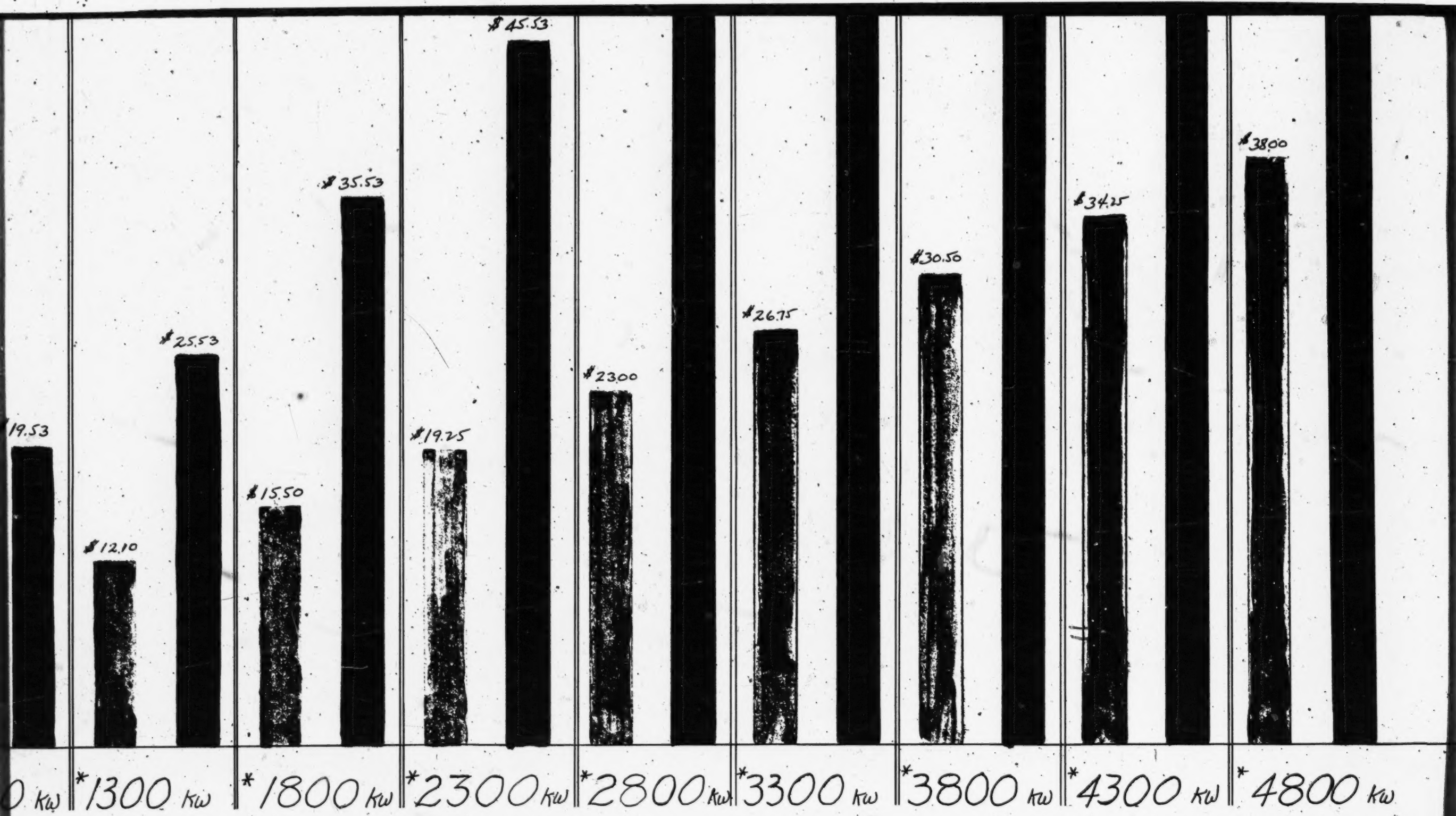
3

4

5

6







[fol. 1265] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 117

Resolution No. 15

Resolved that the city's action previously taken to employ counsel to assist in acquiring or constructing electrical distribution facilities be ratified and confirmed as limited to Title 6 Chapter 13 of the Tennessee Code Annotated, said employment not to be a charge against the general fund or general revenues of the city nor to necessitate any additional tax requirement, but solely to be limited to and paid from anticipated revenues of the aforesaid facilities as prescribed in said chapter.

Be it further Resolved that since no offer has been received from the Commercial Power Company serving within the city to sell us facilities, the Mayor is hereby empowered forthwith in the name of the city, as prescribed in TCA Title 6 Chapter 13, to contract for the construction of electrical facilities to provide for the needs of the city, its citizens, and the residents of such fringe area as he deems appropriate.

This Resolution voted by Council in a special session, the 21 day of October 1963.

E. J. Hardin, III, Mayor.

Attest:

Douglas Overton, Recorder.

I certify that the above Resolution is an exact copy of Resolution No. 15 and is on file in the Recorder's office in Tazewell, Tennessee.

Douglas Overton, Recorder.

[fol. 1266] IN UNITED STATES DISTRICT COURT.

EXHIBIT No. 1 to deposition of C. Wilson House

Telephone conversation with Ralph Miner on Oct. 11, 1962

I advised Ralph Miner that TVA did not feel we should give any recommendation on whether or not the coop. should give notice of cancellation of letter agreement (dated Jan. 8, 1958) with KU. TVA feels this is a matter which the coop's manager, attorney and board should decide upon.

C. Wilson House.

[fol. 1267] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 2 to deposition of C. Wilson House

Claiborne County
CHAMBER OF COMMERCE
Tazewell, Tennessee

July 19, 1961.

Mr. Herbert D. Vogle
Chairman of TVA
Knoxville, Tennessee

Dear Sir:

The Claiborne County Chamber of Commerce have undertaken to obtain cheaper power in Claiborne County, especially the cities of Tazewell, New Tazewell and Cumberland Gap.

We are at the present time obtaining power from Kentucky Utilities.

The people of our county are requesting the Claiborne County Chamber of Commerce to do everything within its power to obtain TVA power.

A committee has been designated to seek information in this matter.

We would appreciate an appointment with you or whoever you may designate to discuss our problems in regard to electrical power.

Yours truly, William R. Stanifer, Executive Secretary.

[Copy Illegible]

[fol. 1268]

Manager's Files

July 26, 1961.

Mr. William R. Stanifer, Executive Secretary
Claiborne County Chamber of Commerce
Tazewell, Tennessee

Dear Mr. Stanifer:

This is in reply to your [attached] letter of July 19 requesting a meeting to discuss future power supply in Claiborne County.

The question of future power supply for the people of Claiborne County has been discussed several times during past years with various interested officials of this area. [See 332.51 Middlesboro, Ky.] In February 1960, a number of representatives from several towns in this area met with the TVA Board. It was suggested that the people of the cities in Claiborne County might wish to talk to the Powell Valley Electric Cooperative about obtaining electric service since the cooperative distributes TVA power in most of this county. This situation does not appear to have changed since that meeting; however, if you feel that it would be helpful to discuss the matter further, we will be glad to have members of our power staff meet with you. Mr. C. Wilson House, District Manager of the Office of Power in Knoxville, will get in touch with you and arrange for such a meeting if you desire it.

Very truly yours, Herbert D. Vogel, Chairman.

AOD:PSB:SB

CC: Mr. A. R. Jones, 404 NSB.
Mr. A. J. Wagner, 405 NSB.
Mr. L. J. Van Mol, 411 NSB.
Mr. G. O. Wessenauer, 818 PrB. C.
Mr. C. J. McCarthy, 624 NSB.
Miss Marguerite Owen, Washington.
Mr. C. Wilson House, 418½ UAB.

[fol. 1269]

August 7, 1961.

Mr. William R. Stanifer, Executive Secretary
Claiborne County Chamber of Commerce
Tazewell, Tennessee

Dear Mr. Stanifer:

This is in reference to General Vogel's attached letter of July 26 advising you that TVA's power staff would be glad to meet with you to discuss future power supply in Claiborne County.

If you think such a meeting is desirable, we will be glad to meet you in my office, 418½ Union Avenue, Knoxville, on Tuesday, August 15, at any time, or on Monday afternoon, August 14. It will be appreciated if you will advise me if either of these dates is satisfactory with your committee.

Very truly yours, Tennessee Valley Authority. C.
Wilson House, District Manager, Office of Power

CWH:MDE

CC: Paul S. Button, 815 PRB, Chatta.
Lewis E. Wallace, 616 NSB,
G. O. Wessenauer, 818 PRB, Chatta.

[fol. 1270]

Claiborne County
CHAMBER OF COMMERCE
Tazewell, Tennessee

August 10, 1961.

C. Wilson House
District Manager
Office of Power
Tennessee Valley Authority
Knoxville, Tennessee

Dear Sir:

In reference to your attached letter of August 7 we would appreciate meeting as you suggest on next Tuesday August 15.

We will be at your office at 2:00 p.m.

Yours truly, William R. Stanifer, Executive Secretary.

WRS/lh

[fol. 1271]

August 11, 1961.

Mr. William R. Stanifer, Executive Secretary
Claiborne County Chamber of Commerce
Tazewell, Tennessee

Dear Mr. Stanifer:

We are looking forward to seeing you in my office on Tuesday, August 15, at 2:00 p.m.

Very truly yours, Tennessee Valley Authority. C.
Wilson House, District Manager, Office of Power.

CWH:MDE

CC: Paul S. Button, 815 PRB, Chatta.
Lewis E. Wallace, 616 NSB.

[fol. 1272] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 3 to deposition of C. Wilson House

EXHIBIT No. 70

Tennessee Valley Authority
UNITED STATES GOVERNMENT

Memorandum

To: Manager's File, 531 PRB, Chattanooga
From C. Wilson House, District Manager, Eastern District,
418½ UAB, Knoxville
Date: September 1, 1961
Subject: Meeting with Representatives of Claiborne County
(Tennessee) Chamber of Commerce.

A meeting was held in my office on August 15, 1961, to discuss future power supply in Claiborne County. The Claiborne County Chamber of Commerce was represented by Messrs. William R. Stanifer, Executive Secretary of the Chamber of Commerce; DeBus, Mayor of New Tazewell; Miller; and Coffier. (I am not sure of above names except Stanifer.) TVA was represented by Paul S. Button, Lewis E. Wallace, and C. Wilson House.

1. Summary of information given by the representatives of the Chamber of Commerce.

While they represent all the towns in Claiborne County, they appeared to be most concerned with Tazewell, New Tazewell, and Cumberland Gap. The people are very anxious to obtain TVA power in order to have lower rates and be in a better position to obtain industry. Kentucky Utilities' rates are about double those of Powell Valley Electric Cooperative. The people served by Kentucky Utilities have been very anxious to obtain TVA power for many years but the Chamber of Commerce is the first organization to work through.

Tazewell has a population of about 1,500, New Tazewell 900, and Cumberland Gap 600. Kentucky Utilities serves a population estimated at 5,000 to 7,000 in Claiborne County. Between 10% and 15% of the customers inside the corporate limits of both Tazewell and New Tazewell

are now served by the cooperative and the remainder by Kentucky Utilities. No customers are served by cooperative in Cumberland Gap.

Kentucky Utilities had a county franchise in Claiborne County and served customers in Tazewell and New Tazewell before either was incorporated. Neither town has granted a franchise to Kentucky Utilities. It is believed that Cumberland Gap has never given a franchise to Kentucky Utilities.

[fol. 1273] 2. Summary of information given to Chamber of Commerce members by TVA representatives.

Due to present territorial limitations in the TVA Act, it is not believed that TVA power could be furnished to Cumberland Gap. Further study and consideration will be necessary for TVA to decide whether or not Tazewell and New Tazewell could receive TVA power in the absence of amendment to the Act. Results of possible court action on interpretation of territorial limitations in TVA Act might help in making such a decision.

If TVA power can legally be furnished Tazewell and New Tazewell, it appears, due to their size, that the only feasible and most economical way would be by the cooperative.

Powell Valley Electric Cooperative has a 5-year territorial agreement [filed 332.53 Powell Valley E.C.] with Kentucky Utilities which the cooperative cannot terminate until January 1964 or, possibly, January 1963.

Not much can be done at this time. In a year or two the situation may become clearer. The towns should be patient but at the same time do anything they think might help their situation. They should refrain from taking any action which would in the future make a changeover to TVA power impossible, such as granting a long-term franchise. TVA is interested and is in sympathy with their desires.

C. Wilson House.

CWH:MDE

CC: Paul S. Button, 815 PRB, Chattanooga,
Lewis E. Wallace, 616 NSB, Knoxville.

[fol. 1274] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 4 to deposition of C. Wilson House

James E. Watson, Director, Division of Power Marketing,
818 PRB, Chattanooga
C. Wilson House, District Manager, Eastern District,
418½ UAB, Knoxville

June 12, 1961

Powell Valley EC—Service Area in Tennessee

We are attaching a copy of letter agreement dated January 8, 1958, between the Powell Valley Electric Cooperative and Kentucky Utilities. This letter agreement was for the purpose of establishing a basis for avoiding conflicts between the systems and is for a term of five years. I understand that this agreement covers facilities and customers in Tennessee only.

We are also attaching a copy of a proposed territorial agreement between the Powell Valley Electric Cooperative and Kentucky Utilities Company covering electric transmission and distribution facilities in Claiborne County, Tennessee. Also attached are one print each of the two sections of map which is a part of the proposed agreement. Mr. Berry, manager of the cooperative, advises me that Kentucky Utilities presented this proposed agreement to the cooperative for execution. He further advised that they have not and do not intend to execute it.

We are sending Mr. McCarthy two copies each of the letter agreement, proposed agreement, and two sections of map.

One copy of each of the attachments are being sent to Manager's Files.

We are preparing and will send to you and Mr. McCarthy information on the service area of the cooperative in Virginia in a few days.

C. Wilson House.

CWH:MDE

Attachments: 4

CC: C. J. McCarthy, 609 NSB, Knoxville

[fol. 1275] Kentucky Utilities Company
120 South Limestone Street
Lexington, Kentucky

Office of Vice President

January 8, 1958.

Powell Valley Electric Cooperative
Jonesville
Virginia

Gentlemen:

This letter is written to revise my letters of September 4, 1957, and December 16, 1957, for the purpose of establishing a basis for avoiding conflicts between our respective systems, in accordance with the understanding reached at the meeting held in our offices on August 13, 1957, at which were present, in addition to representatives of this Company, Mr. McNeil, your attorney, Mr. Cridlin, and Mr. Ralph Foreman of the Rural Electrification Administration, and in accordance with our further discussions of more recent dates.

It is agreed that during the term of this agreement:

1. Neither the Company nor the Cooperative shall serve any customer at any given location, which location is taking service from the other party, or where customer has terminated service at such location from one of the parties and acts to follow that termination by accepting service from the other party.
2. Any new load shall be served by the one of us whose facilities, taking into consideration territorial boundaries either fixed or following from logical considerations, are closest to such load.
3. In any instance where there are differences between us as to the application of paragraphs 1 or 2 above, each party will consult with the other in an honest effort to resolve their differences, and in all such instances the differences of the parties shall be resolved upon an equitable basis.
4. This agreement shall remain in effect for a period of five years from the date of your acceptance of this letter, and shall continue in effect thereafter from year to year subject to the right of either of us to

terminate the agreement at the end of any annual extension, by giving notice to the other not less than ninety days prior to the effective date of termination.

[fol. 1276] If the foregoing is satisfactory to you, will you please have executed by your President, and return to us one of the three copies of this letter.

Very truly yours, Kentucky Utilities Company, By
W. H. Skinner, Vice President.

WHS:vch.

cc: RJForeman

Accepted and agreed to: Powell Valley Electric Cooperative.

By Loyd Muncy, Vice President.

Dated: Jan. 16th, 1958.

[fol. 1277]

AGREEMENT

(Proposed)

This agreement, dated — 1961, between Powell Valley Rural Electric Cooperative Corporation hereinafter referred to as Powell Valley and Kentucky Utilities Company, Inc., hereinafter referred to as K. U.

Witnesseth

Whereas, K. U. owns and operates certain electric transmission and distribution facilities in Claiborne County, Tennessee, and,

Whereas, Powell Valley also owns and operates certain electric transmission and distribution facilities in Claiborne County, Tennessee, and,

Whereas, during past years, in the normal expansion of both the systems of K. U. and Powell Valley there have been certain conflicts develop with reference to areas to be served by each system and,

Whereas, it is the desire of both Powell Valley and K. U. to avoid such conflicts and misunderstandings as to the areas to be served by their respective systems and,

Whereas, it is considered to be to the best interests of Powell Valley, Kentucky Utilities, the customers served by each, and the public, that an agreement be entered into designating the areas that are to be served from the respective systems of the parties hereto.

Now, therefore, it is agreed between the parties hereto as follows:

- 1—The geographical areas that are to be served by the system of Powell Valley and the geographical areas that are to be served by the system of K. U. are to be confined to the areas shown on Map No. —, in two sections, which map is dated —, 1961 and approved by both parties.
- 2—It is understood that in the area shown on map, and designated as Powell Valley service area, that K. U. now serves certain customers in this area and will [fol. 1278] continue to serve these customers, but K. U. will not offer or extend their service to any other customers in the area shown as Powell Valley except with the consent of Powell Valley.

- 3—It is understood that in the area shown on map and designated as K. U. service area, that Powell Valley now serves certain customers in this area and will continue to serve these customers, but Powell Valley will not offer or extend their service to any other customers in the area shown as K. U. except with the consent of K. U.
- 4—It is fully agreed by both parties that in event any prospective customer requests service of them in the area designated as service area of other party, that such prospective customer will be referred to proper representatives of the party in whose service area the service is desired.
- 5—In event any situation should develop where there is some question as to which party should extend service to customer, under provisions of this agreement, then such question will be settled by mutual agreement of the parties hereto, before any commitment is made by either party to the prospective customer.

In Witness Whereof, the parties hereto have caused their names to be hereunto subscribed by their representatives thereunto duly authorized as to the day and year first written above.

Powell Valley Rural Electric
Cooperative.

By —, —:

Attest:

—, —.

Kentucky Utilities Company.

By —, —.

Attest:

—, —.

[fol. 1279]

Tennessee Valley Authority
Knoxville, Tennessee

June 12, 1961.

Mr. F. E. Berry, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Red:

We are enclosing the original letter agreement dated January 8, 1958, between your cooperative and Kentucky Utilities and the copy of proposed agreement between your cooperative and Kentucky Utilities covering facilities in Tennessee which you loaned us. As requested, we are also enclosing two copies of the letter agreement.

We are sending to you, under separate cover, the tracings of the two sections of map showing proposed territorial boundary together with two prints of each.

As soon as we have completed making copies of the information on your system in Virginia, someone from my office will bring it to you.

We certainly appreciate your assistance in this matter.

Very truly yours, Tennessee Valley Authority. C.
Wilson House, District Manager, Office of Power.

Enclosures: 4

[fol. 1280] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 5 to deposition of C. Wilson House

POWELL VALLEY ELECTRIC COOPERATIVE
REA

Jonesville, Virginia

Cooperative
Electricity

Telephone
Jonesville 52

F. E. Berry
Manager

August 11, 1961.

Mr. C. Wilson House
District Manager
Office of Power
Tennessee Valley Authority
Knoxville, Tennessee

Dear Mr. House:

I am enclosing Planimetric [attached] Map 154-NE, Tazewell, Tennessee, showing in pencil the lines of the Powell Valley Electric Cooperative with individual services shown as round dots. Field work of this map was done in November and December, 1957.

I am also enclosing certain [attached] sketches which were drawn up by the Kentucky Utilities Company of complaints in and around Tazewell, Tennessee, which I believe are self-explanatory.

We hope that these will be of some use to you.

Very truly yours, Lewis H. Oatts, Office Manager.

LHO:mrr

Reproduced copy—

Mgr. File

[fol. 1281]

Attached
8-11-61

MEMORANDUM

Certain Complaints made by the Kentucky Utilities Company against the Powell Valley Electric Cooperative for Construction Practices in the area of Tazewell and New Tazewell; Tennessee, in a letter from Mr. W. H. Skinner, Vice President of Kentucky Utilities Company, Lexington, Kentucky, to The Honorable David A. Hamil, Administrator, Rural Electrification Administration, Washington, D. C.

These complaints are not new by any means. In fact, this situation has been discussed by both the Kentucky Utilities Company and the Powell Valley Electric Cooperative for some time.

On May 13, 1955, Mr. Davis L. McNiel, Manager, Mr. Joseph N. Cridlin, Attorney, and Mr. Ralph J. Foreman of the Administrator's Office of REA at the invitation of Mr. R. M. Watt and by his appointment were to meet at the office of Mr. Watt in Lexington to discuss this matter. However, after arriving in their office and talking with members of their staff for some time without any formality, the members of the Kentucky Utilities Company staff present brought up the question at hand. Representatives of the Cooperative were still hoping to see Mr. Watt. However, he made a brief appearance, spoke to each of us, and immediately left the room. Since that time, the situation has been at a standstill.

The Cooperative having extended service to only two customers who arranged for service which had not already been worked out prior to May 1955.

The complaints of the Kentucky Utilities Company together with letters and [attached] sketches are all biased, misleading, and do not tell the true story by any means.

The position taken by the Kentucky Utilities Company is that a Cooperative should not be allowed to serve any customer that the power company wants to and can serve

profitably. Naturally, the Cooperative does not agree with this thinking.

[fol. 1282] In 1952 when an interchange agreement [TV-12890A, filed 332.53 Powell Valley EC Contract] was reached between the Cooperative, Kentucky Utilities Company, and the Tennessee Valley Authority for joint use facilities at Tazewell, Tennessee, an agreement was reached and is in writing to the effect that neither the Kentucky Utilities Company nor the Powell Valley Electric Cooperative will serve any consumer who is now being served by the other party.

[fol. 1283] Comments by Powell Valley Electric Cooperative

Sketch No. 1

In 1948 a new State Route 33 was under construction east and west through and connecting the small towns of Tazewell and New Tazewell, Tennessee. The Cooperative had in the meantime received several applications for service along this new road. The Cooperative also needed a route for a feeder line accessible for maintenance purposes. A part of this proposed line was built and plans were under way to construct the remainder along this new road when the Kentucky Utilities Company moved in virtually overnight on a cost plus basis built the line marked on Sketch No. 2 as built in 1927 along this new route without any customers whatsoever.

Further in this sketch, Kentucky Utilities Company shows line constructed in 1945. We might add that this line was constructed to prospective members of the Powell Valley Electric Cooperative who had signed for electric service but were not able to get the service immediately after they had signed because of shortage of materials and restrictions during World War II. Inasmuch as the Kentucky Utilities Company built line in the Cooperative's signed territory, there would be conflicts in this area to some degree.

Furthermore, in 1955 a small shirt factory asked the Cooperative for and received single phase power, and they later wanted three phase power. A contract was prepared and presented to the shirt factory concern. However, the Kentucky Utilities Company also bid for the service and

despite the fact that a written agreement between the Kentucky Utilities Company and the Cooperative to the effect that neither one would serve a consumer who is now being served by the other, the Kentucky Utilities Company is now serving this load with three phase power.

[fol. 1284] Comments by Kentucky Utilities Company

Sketch No. 1

In 1948 the Powell Valley RECC constructed approximately 4000 ft. of single phase 7.2 KV line to serve a small coat hanger factory, which factory could have been served by a service drop only from Kentucky Utilities Company's facilities. The cooperative extension crossed lines of the company at three different locations. They have, of course, since the original construction connected several other customers that could have been served directly from the company's system.

[fol. 1285] Comments by Powell Valley Electric Cooperative

Sketch No. 2

The Powell Valley Electric Cooperative at the request of old members built to a dairy bar and filling station inside the city limits of Tazewell from a line which was in existence inside the corporate limits at the time of the incorporation of the town.

As we see it, the Corporation line at the time that the town was incorporated has nothing to do with the matter as the Kentucky Utilities Company and the Powell Valley Electric Cooperative were well established in this area prior to the incorporation.

There is some question as to whether this dairy bar and filling station would have been built had they not been able to get service from the Cooperative.

[fol. 1286] Comments by Kentucky Utilities Company

Sketch No. 2

Extension constructed by Powell Valley RECC during May of 1956 to serve a filling station and a dairy bar inside

the city limits of Tazewell, Tennessee, each of which establishments could have been served by a service drop from Kentucky Utilities Company's facilities in existence since 1939 or 1940.

[fol. 1287] Comments by Powell Valley Electric Cooperative

Sketch No. 3

Line along this new highway as shown in Sketch No. 3 is a part of system improvements shown in our system study. This line is poled and what conductor has been strung to date is the proper size for three phase heavy feeder line. Prior to the building of this line, the Cooperative had an application for power for the service station which was connected in 1956. The other two connections which were made had been promised to landowners at the time these new establishments were built. However, we did refuse to serve Mr. Rose's home which at that time and is now being served by the Kentucky Utilities Company.

[fol. 1288] Comments by Kentucky Utilities Company

Sketch No. 3

Extension constructed by Powell Valley RECC during October of 1956 to serve buildings owned by a Mr. Rose, each of which could have been served by a service drop only from Kentucky Utilities Company's facilities, in existence since 1936.

[fol. 1289] Comments by Powell Valley Electric Cooperative

Sketch No. 4

Sketch No. 4 is for most part a duplicate of Sketch No. 3. In the Tazewell area both the Powell Valley Electric Cooperative and the Kentucky Utilities Company receive distribution voltage from the same substation owned by the Cooperative, therefore, congestion of lines in the area can not be avoided.

Since this station went into service in 1953, the Cooperative has been at work extending feeders into this area from this substation. This feeder line along the new highway

is, as mentioned in Sketch No. 3, a part of the Cooperative's system improvements and is now feeding a large area known as the Cloud Switch and Cave Spring area.

Applications for all service along this line were made to the Cooperative prior to the building of the line. Having had five of them on file before the line was constructed. Naturally, in securing right of way, it was necessary to obligate ourselves to serve other new loads or applicants at such time as they are built. Two of these are noted on Sketch No. 3 and can also be noted that all were within one or two poles from present facilities.

We might add here that since this line has been constructed the Kentucky Utilities Company has built two spans of line to serve one street light which could have been served by the Cooperative by a pole which was already in existence.

[fol. 1290] Comments by Kentucky Utilities Company

Sketch No. 4

Extension constructed by Powell Valley RECC along new highway 25E for a distance of approximately $1\frac{1}{2}$ miles during the early part of 1955, and at the time of construction there was not a single building or residence to be served along the entire route. Note that Kentucky Utilities Company's distribution facilities were within one or two poles of the new highway location for the entire distance of this extension and had been in their location since 1936.

[fol. 1291] Comments by Powell Valley Electric Cooperative

Sketch No. 5

The Powell Valley Electric Cooperative had been serving Tyler & Ratliff Company since January 14, 1954, with all the power that they required at that time. In the spring of 1954, this company requested the Cooperative to furnish 350 H. P. of three phase power. This load was far in excess of existing facilities to the quarry at that time, therefore a proposal and contract was prepared and presented to Tyler & Ratliff Company making provisions for the Cooperative to furnish them with all the power desired. This proposal provided for 2.13 miles of three phase line which

at that time would be solely for the use of the quarry. The Tyler & Ratliff Company thought the Cooperative's proposal was a little high and naturally turned to the Kentucky Utilities Company to play both ends against the middle.

Manager McNiel and other representatives of the Cooperative met with Mr. Woodson, Mr. Asher, and other representatives of Kentucky Utilities Company at that time. Manager McNiel stated to Mr. Asher that negotiations were under way with these people and it was felt that a satisfactory solution could be worked out. Manager McNiel stated to Mr. Asher that surely Kentucky Utilities Company was not thinking of serving this quarry since the Cooperative was already serving them and that Kentucky Utilities Company should understand that Tyler & Ratliff Company were playing both ends against the middle.

The Kentucky Utilities Company's comments on attached Sketch No. 5 are very misleading.

[fol. 1292] Comments by Kentucky Utilities Company
Sketch No. 5

In May of 1954 the R. B. Tyler Company and W. T. Ratliff Company were operating a rock quarry on Cedar Fork Road about 2500 ft. from the end of Kentucky Utilities Company's distribution facilities in Tazewell.

Representatives of the above companies contacted Mr. Woodson, Kentucky Utilities Company's Manager, and requested that he submit to them a proposal covering the furnishing of electric service for the operation of their rock quarry, which total load amounted to approximately 350 H.P.

Representatives of the above company were advised that their quarry was in what the Company considers the service area of Powell Valley RECC and that this matter would first be discussed with Mr. McNiel, Manager of Powell Valley RECC, before submitting a company proposal. On June 17, 1954, Mr. Woodson and Mr. Asher, of Kentucky Utilities Company, met with Mr. McNiel near the quarry site and discussed the matter fully with him. As a result of the meeting, Mr. McNiel arranged to extend service to the quarry operation.

[fol. 1293] Comments by Powell Valley Electric Cooperative

Sketch No. 6

Sketch No. 6 is rather a long story about an extension of service to Mr. Welch.

The fact that Mr. Welch is or was at that time a County Official has nothing to do with the matter whatsoever.

In 1941, the Powell Valley Electric Cooperative accepted applications for serving several homes in this area. Each of these homes had for a number of years tried to get Kentucky Utilities Company, which at that time was Dixie Power & Light Company, to extend service to them.

By 1945, the Cooperative was preparing to make extensions and by 1946 most of the line construction was near completion. However, Kentucky Utilities Company in the meantime had built $1\frac{1}{2}$ miles of line and served a few of these people.

Since then the two towns have been incorporated and some farm land has been sold as lots. Before buyers of these lots would purchase they ascertained from the Cooperative whether the Cooperative would serve them, if not they would not buy. Several of these lots were bought only after it was assured them that the Cooperative would serve them. As a result of this, some five connections were made on line which Kentucky Utilities Company referred to as being built for Mr. Welch alone.

[fol. 1294] Comments by Kentucky Utilities Company

Sketch No. 6

Extension built by Powell Valley RECC during the latter part of 1955, which extension was approximately 1000 ft. in length to serve Mr. Welch (a County Official); whereas, this residence could have been served by a service drop from Kentucky Utilities Company's existing facilities.

[fol. 1295] Comments by Powell Valley Electric Cooperative

Sketch No. 7 (Zinc Mine Line)

Comments attached by Kentucky Utilities Company in

regard to this situation are untrue, half true and very misleading.

Late in 1943 or early in 1944, Mr. Johnson Crawford of Universal Exploration Company contacted Manager McNiell for power to the Zinc Mine in what is known as the Straight Creek area of Claiborne County about 5 miles south of New Tazewell. At this time the Cooperative had single phase line very close this zinc mine and had virtually all of the surrounding county including that back near Tazewell signed for service from the Cooperative. The Cooperative to date has these applications for service in their files.

Manager McNiell met with Universal Exploration Company and representatives of REA, and an Agreement was worked out whereby the Cooperative would build a 33,000 volt line into the area whereby a new source of power would be taken from Kentucky Utilities Company at Cumberland Gap. The Cooperative would construct a transmission line and substation which would not only serve the Zinc Mine but would have service available for all the applicants for service in the surrounding area.

Mr. Howard Asher of Kentucky Utilities Company was contacted about additional service at Cumberland Gap, and a Contract for this purpose was prepared and delivered to Mr. Asher. Mr. Asher stated that he was going to Lexington the next week and would have it signed by Mr. Watt. However, it happened that Mr. Watt had just returned from a EEI Meeting somewhere in the east and at this meeting, as the story was related to me, the President Of U. S. Steel of which Universal Exploration Company was a subsidiary was talking with Mr. Watt and some time during this conversation the President of U. S. Steel made the statement, "By the way, one of our subsidiarys, Universal Exploration Company, is preparing to open up a Zinc Mine near Tazewell, Tennessee, and we want you people to do us right about power." Therefore, when the Contract for a new source of power for the Cooperative at Cumberland Gap was presented to Mr. Watt he did not sign it. As a result, representatives of Kentucky Utilities Company went after the business and due to the fact that Kentucky Utilities Company could serve the Zinc Mine load *only* with less restricted material than the Cooperative, the end result was that this was taken away from

the Cooperative and constructed by Kentucky Utilities Company, and I have understood at the Federal Government's expense.

[fol. 1296] In constructing this line to the Zinc Mine, the Kentucky Utilities Company (at that time known as the Dixie Power & Light Company) did not build their line by way of the nearest route to the proposed Zinc Company load. Instead they routed their line over a longer route and in such a way as to raid territory along the route where particularly every prospective consumer had made application to the Cooperative for service. During the time that this line was under construction by the Power Company, the Cooperative was also building a line to the Food Processing Plant some 10 miles west of Tazewell. The Cooperative's entire line was constructed in accordance with the War Production Board Rules which were in effect. This was borne out by the fact that the Cooperative was reported to and a hearing held before the War Production Board in this respect, and was cleared of any charges. There were no consumers connected to this line which did not fully comply with all requirements and rules of the War Production Board.

The last paragraph of their remarks in regard to Sketch No. 7 is absolutely untrue.

[fol. 1297] Comments by Kentucky Utilities Company
Zinc Mine Line—Sketch No. 7

During the early part of 1944 contract was executed with the Universal Exploration Company for furnishing service to a zinc mine development which was located about five miles south of New Tazewell in what is known as the Straight Creek area of Claiborne County.

At this time regulations restricting the use of critical materials were in effect by the War Production Board, and it was necessary to obtain War Production Board approval before the necessary line could be constructed to serve this load.

War Production Board approval was obtained and during June of 1944 the 12 KV line extension to serve this load was constructed.

At the same time that the line extension approved for construction by Kentucky Utilities Company was in prog-

ress, the Powell Valley RECC shortly thereafter began the construction of an extension immediately parallel to the Company's line, which construction was carried through to conclusion without any approval from the War Production Board.

In order for the company to serve any customers along the line being constructed it was necessary that the customer obtain a certificate from the County Agricultural Agent and to certify that he had sufficient animal units to justify the extension to his farm, and the Company connected all customers that could properly qualify. The Powell Valley RECC constructed extensions to several farm customers which required a longer extension than would have been required for service from Company's lines, which customers could not qualify for service.

[fol. 1298] Comments by Powell Valley Electric Cooperative

Sketch No. 8

In this sketch it is stated or inferred that the Cooperative built 1200 feet of line to serve several customers that could have been served by Kentucky Utilities Company.

To clear up this: In 1946, Mr. Fred McMurry after being told by Kentucky Utilities Company that at no reasonable date could they connect him asked the Cooperative to make a connection to a new home he was building. This line was constructed and Mr. McMurry began to pay a light bill on or about 9-19-46. As a result, five houses have been added by service drop and a one pole primary extension accounts for three more. Another two dwellings and two places of business were refused service and told to contact Kentucky Utilities Company.

[fol. 1299] Comments by Kentucky Utilities Company

Sketch No. 8

This shows a situation where the Powell Valley RECC constructed approximately 1200 ft. of primary extension to serve several customers that could have been served from Kentucky Utilities Company's facilities with a one or two pole extension.

[fol. 1300] Comments by Powell Valley Electric Cooperative

Sketch No. 9

This is a duplication of part of line and charges as per Sketch No. 3.

[fol. 1301] Comments by Kentucky Utilities Company

Sketch No. 9

An extension constructed by Powell Valley RECC during the early part of 1956, which extension crossed Kentucky Utilities Company's lines at two locations to serve a residence built by a Mr. Rose, which residence could have been served by a service drop only from Company's existing distribution.

[fol. 1302] Comments by Powell Valley Electric Cooperative

Sketch No. 10

This service which was constructed for Mr. Essary at both his request and the party who owned the land at the time the filling station was being constructed. Service was extended and used for construction purposes. All the line in yellow on this sketch was not constructed for this service, but this service only required 500 feet of line for new service from existing line.

[fol. 1303] Comments by Kentucky Utilities Company

Sketch No. 10

This shows an extension of approximately 500 ft. of primary line constructed by Powell Valley RECC during October or November of 1955 to serve a filling station owned by Joe Frank Essary, which station could have been served by a service drop of approximately 50 ft. in length from Kentucky Utilities Company's facilities, which facilities had been in their location for at least ten years.

[fol. 1304] Comments by Powell Valley Electric Cooperative

Sketch No. 11

In this sketch, there is also misrepresentation. Check *Sketch*.

The Cooperative built a long line with taps to serve the Greers Chapel area, which had been unable to obtain service from Kentucky Utilities Company. This line ended at a point so marked on the sketch. This line had been energized some several months when two new buildings were started along Highway No. 25 E. Application was made by these parties for power and the buildings were served.

After the Cooperative had been serving one of these homes for quite some time, the man owning the home became delinquent in his payment for electric service and as a result disconnected from the Cooperative and Kentucky Utilities Company extended service to this home which was already being served by the Powell Valley Electric Cooperative. Kentucky Utilities Company serves this home today. Since that time Powell Valley Electric Cooperative has served other houses with short extensions. Kentucky Utilities Company has done likewise finding it necessary to cross the Cooperative's lines to do so.

[fol. 1305] Comments by Kentucky Utilities Company

Sketch No. 11

This shows an extension constructed by Powell Valley RECC during 1944 to serve several residences near Pattersons Cross Roads just south of Harrogate, Tennessee, which customers could readily have been served by the Kentucky Utilities Company by either service drop or a one or two pole extension. The cooperative constructed a line approximately one and one-half miles in length to serve these customers.

[fol. 1306] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 6 to deposition of C. Wilson House

TV-11505A

**Interconnection Agreement Between Tennessee Valley
Authority and Kentucky Utilities Co.**

This agreement, made and entered into as of the 22d day of March 1951, by and between Tennessee Valley Authority (hereinafter called Authority), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933 as amended, and Kentucky Utilities Co. (hereinafter called Company), a corporation duly created, organized and existing under and by virtue of the laws of the Commonwealth of Kentucky; witnesseth:

Whereas Company and Authority are parties to certain agreements entered into heretofore which, among other things, provide for interconnections, transfer, interchange and sale of power as provided under the terms and conditions specified in said agreements; and

Whereas Authority has received requests from its wholesale customers, Warren Rural Electric Cooperative Corp. and Hickman-Fulton Rural Electric Cooperative Corp. for additional points of delivery to the former at Rosine and Leitchfield and increased capacity at existing points of delivery to the latter at Clinton and Hickman, Ky., in order to permit said cooperatives to serve customers now being supplied by them and to serve new customers in their respective service areas who are not now receiving electric service; and

Whereas Company and Authority desire to execute a new agreement to provide for the expansion of certain interconnection facilities, the establishment of certain new delivery points, and the interchange, delivery and exchange of power between their respective systems and to that end to consolidate, combine and supersede as stated herein the various provisions with respect to these matters contained in said agreements heretofore entered into;

Now, therefore, in consideration of the premises and of the mutual promises hereinafter set forth and subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended, the parties hereto agree as follows:

ARTICLE I

Interconnections

1. *Interchange points.*—Company and Authority will operate and maintain interconnections between their respective systems for the interchange, transfer and sale of power between them at the following points:

(a) The existing point of interconnection (hereinafter called Pineville Interconnection) at Pineville, Ky., as provided for in agreement TV-84885 dated September 1, 1944, as amended and supplemented;

(b) The existing point of interconnection (hereinafter called Kentucky Dam Interconnection) at Kentucky Dam, as expanded in accordance with this agreement;

(c) The existing point of interconnection (hereinafter called Martin Interconnection) at Authority's primary substation at Martin, Tenn.;

(d) The existing point of interconnection (hereinafter called Fulton Interconnection) at Fulton, Ky.; and

(e) A new point of interconnection (hereinafter called Glasgow Interconnection) to be established as hereinafter provided in this agreement.

The systems of the parties shall be and remain interconnected at said interchange points insofar as this can be done in the opinion of each party without injury to its system or to service to its customers.

2. *Expansion of Kentucky Dam interconnection.*—Authority shall at its own expense furnish all materials and equipment for and perform all work necessary in (a) the construction, maintenance and operation of approximately 0.75 mile of transmission line which will loop circuit No. 2 of Company's 69-kilovolt Earlington-Paducah transmission lines to Authority's Kentucky Dam switchyard, and (b) the installation, maintenance and operation at Kentucky Dam of an oil circuit breaker terminal and associated equipment.

and speedomax type telemetering facilities for Authority's own use. The load impulses that are used to operate said telemetering equipment shall be available to Company for operation of similar telemetering equipment. Company shall furnish and install, and thereafter maintain, at its own expense a suitable take-off structure at the point where the line to be constructed by Authority will connect to Company's Earlington-Paducah transmission line. Authority shall also install, and thereafter maintain and operate, at its own expense at Kentucky Dam suitable equipment to provide carrier communication with Company at Company's Green River plant. Company shall install, and shall thereafter own, maintain and operate, at its own expense on its system such facilities as are necessary to complete said carrier communication system.

It is recognized that Company has been paying Authority a monthly charge of \$660.84, representing one half of 1 percent per month of the total installed costs of the existing Kentucky Dam Interconnection, as Company's share of the cost of the existing interconnection facilities. Company shall continue to pay this monthly charge to Authority during the term of this agreement. When, in Authority's opinion, improvements or expansion of the existing Kentucky Dam interconnection facilities becomes necessary, such improvements or expansion shall be made by Authority and Company shall thereafter pay to Authority, in addition to the above-mentioned monthly charge, one-half of 1 percent of the net cost, including applicable overheads, of such improvements or expansion in facilities.

3. *Glasgow interconnection.*—Company shall construct or cause to be constructed at no expense to Authority a 69-kilovolt transmission line from Authority's Summer Shade-Bowling Green 69-kilovolt line to Glasgow, Ky., and an air break switch at the point of connection and a delta-delta 66-33-kilovolt substation at Glasgow protected by an oil circuit breaker on the 33-kilovolt side and fuses on the 69-kilovolt side. In the event that during the term of this agreement Company replaces the transformer bank in said substation with a Y-connected bank of transformer, Company shall install a high side 69-kilovolt oil circuit breaker. Company shall install in connection with the construction of said substation necessary facilities for coordination with Au-

thority's system and settings on protective devices will be coordinated with Authority. Company shall own, maintain, and operate or cause to be maintained and operated said transmission line and substation.

ARTICLE II

Delivery Points

1. *Present delivery points.*—Company and Authority will maintain present delivery points at Clinton and Hickman, Ky., for service to Hickman Fulton Rural Electric Cooperative Corp. and at Pruden, Tenn., for service to LaFollette, Tenn.

2. *Installation of facilities for delivery point at Rosine.*—Company shall at its own expense construct, maintain and operate a 66-kilovolt suspension insulator ground wire type transmission line of at least 266,800 circular mill ACSR conductor from a point in the vicinity of Beaver Dam, Ky., to a substation site to be selected and acquired by Authority near Rosine, Ky. Authority shall at its own expense construct a substation for service to Warren Rural Electric Cooperative Corp. at Rosine (hereinafter called Rosine Substation) which will be suitable for 33- or 66-kilovolt operation. Said substation shall be owned, maintained and operated by Authority.

3. *Installation of facilities for delivery point at Leitchfield.*—Authority shall construct at its own expense a 33-kilovolt substation for service to Warren Rural Electric Cooperative Corp. on a site to be selected and acquired by Authority at or near Leitchfield, Ky. (hereinafter called Leitchfield Substation). Said substation shall be connected to the Company's Elizabethton-Leitchfield 33-kilovolt line and shall be constructed in such manner that it may be converted to 66-kilovolt operation if and when the Company converts said transmission line to operation at 66 kilovolts. Company will provide, install and maintain, at its own expense, suitable take-off facilities for this tap connection. Said substation shall be owned, maintained and operated by Authority.

4. *Additional points of delivery.*—Additional points of delivery may be established by agreement of the parties.

ARTICLE III

Exchange and Emergency Transactions

1. *Delivery to Authority.*—During the term of this agreement Company shall deliver power at approximately sixty (60) cycles per second to Authority at the delivery points designated below up to the maximum demands, and at the normal delivery voltages specified below, for each delivery point, as follows:

[fol. 1307]	Delivery point	Maximum demand	Present delivery voltage	Future delivery voltage
		Kilovolt amperes		[copy illegible]
	High side of Company's Pruden substation ¹ ...	1,500	33,000	—
	High side of Authority's Clinton substation...	2,500	66,000	—
	High side of Authority's Hickman substation...	1,500	33,000	—
	High side of Authority's Rosine substation ² ...	2,500	33,000	—
	High side of Authority's Leitchfield substation ² ...	2,500	33,000	—

¹ It is recognized that Authority has been paying Company the sum of \$500 per month as compensation for the establishment of this delivery point. Authority shall continue to pay said monthly charge [copy illegible] the elimination by either party of said delivery point upon 18 months' written notice.

² The delivery of power at these points shall commence as soon as practicable after execution of [copy illegible] agreement.

Power and energy as measured by metering equipment on the low voltage sides of the above designated substations shall be adjusted for transformer losses to reflect delivery at the respective delivery voltages specified above.

2. *Compensatory deliveries.*—Authority shall deliver to Company at the Fulton Interconnection, and the Glasgow Interconnection, as nearly concurrently as practicable with deliveries to Authority under section 1 of this article III, amounts of power and energy the sum of which shall equal the sum of the amounts of power and energy delivered to Authority at the delivery points specified in said section 1. In order to facilitate the exchange transactions contemplated in sections 1 and 2 of this article III, the load at the delivery points specified in said section 1, the Glasgow Interconnection, and the Fulton Interconnection shall be segregated for radial feed so that the amounts of power and energy delivered to Company under this section 2 will be approximately equal to the deliveries to Authority under

section 1 of this article III. Differences between the deliveries under said section 1 and the deliveries under said section 2 will be compensated for by return of power and energy in kind by the party in whose favor the difference occurs to the other at interconnection points other than those specified in this section 2 in amounts equivalent to said differences: *Provided, however, That, in compensating for such differences, (a) the energy will be returned at times when the load conditions of the party which supplied the energy are similar to conditions on its system at the time when the difference occurred or if said party elects to have the energy returned under different conditions, it shall be returned in such amounts as will compensate for the difference in conditions, and (b) there shall be no compensation for any difference in demands resulting from the supply by one party of the on-peak demands of the other unless such difference exceeds 1,000 kilowatts, in which event the difference shall be settled for by appropriate deliveries at the Kentucky Dam Interconnection and at the interconnection maintained by the parties at Pineville, Ky., or at such other interconnections as may be established by the parties.*

3. *Reciprocal emergency transactions.*—If an emergency due to the imminent failure, failure, or breakdown of facilities or any emergency resulting from any cause referred to in section 5 of article V, should occur on the system of one of the parties, the other will, so far as practicable in its sole judgment without hazard to its property or operations and within the limitations of capacity available on its system in excess of that required for supplying its other load; supply power to the party suffering such emergency. Such power shall, at the option of the supplying party, be paid for at the rate of five (5) mills per kilowatt-hour or be returned in kind. If such power is returned in kind it shall be returned under conditions similar to the conditions under which it was supplied, or, if the supplying party elects to have it returned under different conditions, it shall be returned in such amounts as to compensate for the difference in conditions.

ARTICLE IV

Economy Interchange Transactions

1. *Interchange of surplus energy.*—In order to promote economy of power supply and to achieve efficient utilization of production capacity, Authority and Company shall each offer to the other in accordance with the provisions of this article IV any surplus energy which is available in the sole judgment of the supplying party. Each party shall promptly inform the other of the extent to which it desires to use such surplus energy and schedules shall be mutually agreed upon. Neither party shall be under any obligation to deliver surplus energy under this article IV in amounts such that after giving effect to any other transactions between the systems of the parties the total deliveries at the points of interconnection would exceed the capacity of the interconnected transmission facilities. The points of delivery for interchange transactions under this article IV shall be the interchange points specified in section I of article I of this agreement, and such other points of interconnection as may be established by the parties from time to time during the term of this agreement.

It is understood, in connection with all deliveries of surplus energy under this article IV, that each party shall retain for its own loads and prior commitments the lowest cost energy available to it which, in its judgment, it would utilize if it were supplying only said loads and commitments and that any surplus energy supplied by either party to the other shall be delivered from the most economically available sources of surplus energy for which the supplying party does not have a better market. Neither party shall be obligated to receive, deliver, or transmit surplus power and energy which, in its sole judgment, is in excess of the capacity of its own system, having due regard for its other customers.

2. *Basis of settlement.*—Except as otherwise agreed surplus energy supplied by one party to the other under this article IV shall be settled for as follows:

(a) Surplus energy supplied by Company to Authority shall be paid for on the following basis:

Nonreplacement energy.—The incremental generating cost, or cost of obtaining such energy from third parties, as the case may be, plus losses plus seven (7) percent for handling costs.

Replacement energy.—One-half ($\frac{1}{2}$) of the sum of the incremental operating expense of the plant or units from which energy is supplied (which shall include the cost of placing said plant or units in operation, if such cost is incurred) and the incremental operating expense of the plant or units replaced (which shall include the cost which would have been incurred in placing said plant or units in operation, if such cost is avoided).

(b) Surplus energy supplied by Authority to Company shall be paid for on the following basis:

Hydro energy.—One-half ($\frac{1}{2}$) mill per kilowatt-hour plus one-half ($\frac{1}{2}$) of the incremental operating expense of the plant or units replaced (which shall include the cost which would have been incurred in placing said plant or units in operation, if such cost is avoided).

Steam energy.—One-half ($\frac{1}{2}$) of the sum of the incremental operating expense of the plant or units from which energy is supplied (which shall include the cost of placing said plant or units in operation, if such cost is incurred) and the incremental operating expense of the plant or units replaced (which shall include the cost which would have been incurred in placing said plant or units in operation, if such cost is avoided).

Equivalent steam energy.—One-half ($\frac{1}{2}$) of the sum of the incremental operating expense of the steam plant or steam units capable of generating energy in the amounts and at the rate supplied (which shall include the cost of placing said plant or units in operation, if such cost would have been incurred had such energy been supplied from such plants or units) and the incremental operating expense of the plant or units replaced (which shall include the cost which would have been incurred in placing said plant or units in operation, if such cost is avoided).

For purposes of this subsection (b) the term "hydro energy" shall mean energy which the Authority obtains exclusively by generation from excess flows which would otherwise be wasted or from storage waters in anticipation

of flows which in Authority's judgment would be wasted, and the term "equivalent steam energy" shall mean energy which Authority obtains simultaneously with its deliveries to Company either by increasing its receipts of energy from a third party or by temporarily increasing its hydro generation from ponded water which Authority plans to replenish or impound at other hours by increasing its generation at its own fuel plants or its receipts of energy from third parties.

(c) Company and Authority shall each provide the other at intervals of not more than six (6) months with a statement based upon the records for the latest periods for which records are available of the incremental operating expense of each of its steam plants and of the cost of placing the respective units of such plants in operation.

[fol. 1308] (d) For the purposes of this section, whether or not the cost of placing a plant or units in operation is incurred, or would have been incurred, shall be determined in the judgment of the party controlling said plant or units and the incremental expenses normally incurred as a result of starting and stopping operation of the plant or units shall be used as said cost of placing the plant or units in operation.

ARTICLE V

Miscellaneous Provisions

1. *Nominal voltages.*—Except as varied by mutual agreement, the nominal delivery voltages at the interchange points provided for in section 1 of article I of this agreement are specified as follows:

	volts
Pineville Interconnection.....	69,000
Kentucky Dan Interconnection.....	69,000
Martin Interconnection.....	69,000
Fulton Interconnection.....	69,000
Glasgow Interconnection.....	69,000

2. *Metering, testing, and inspection.* Each party at its expense shall own, maintain, and operate metering equipment at the respective interchange points specified in section 1 of article I and the delivery points specified in section 1 of Article III of this agreement, at which it owns the substation facilities. Except as otherwise expressly provided in

this agreement all power and energy delivered hereunder shall be accounted for as of the locations of said metering equipment. Each party shall have the right to install and maintain at its expense metering equipment adjacent to any of the meters of the other party as a check on such meters. All of the above-mentioned metering equipment shall be subject to the metering and testing provisions of this section.

The party owning the metering equipment shall at its expense make quarter-yearly tests and inspections of its metering equipment in order to maintain a high standard of accuracy. The owning party shall make additional tests and inspections of its meters if requested by the other party to do so. Either party shall give the other party reasonable advance notice of such tests and inspections of its meters so that its representatives may be present. If any such additional tests or inspections show any meter to be inaccurate by more than two percent (2%) fast or slow, an adjustment in deliveries between the parties shall be made during the following month to adjust for the amounts by which the meters are shown to have been in error for a preceding period of not more than thirty (30) days, and the metering equipment found to be inaccurate or defective shall promptly be repaired, adjusted, or replaced by the owning party. If as a result of a test requested by the nonowning party, the metering equipment shall be found to be accurate within two percent (2%), the nonowning party shall reimburse the owning party upon request for the cost of the testing. Should either party's metering equipment fail at any time to register, the consumption during the period of failure shall be determined from the best information available.

3. *Liability.*—Either party shall save the other party unharmed from any loss, injury, or damage to persons or property arising out of the operation and maintenance of, and transmission of any electric power over, its transmission lines and equipment leading to or from the interchange points and points of delivery herein designated unless such loss, injury, or damage is caused by the sole negligence of the other party, its agents, servants, or employees.

4. *Operation to minimize disturbances.*—The systems of the parties shall be maintained and operated so as to

minimize, in accordance with good practice, the likelihood of disturbance originating in the system of either party causing impairment of the service on the system of the other party or on any other system interconnected with the system of either party.

5. *Service.*—The parties shall supply electricity as agreed upon hereunder, but neither party, its officers, agents, or employees, shall be liable for damages or breach of contract when service is interrupted or suspended by reason of injunction, strike, riot, invasion, fire, accident, floods, backwater caused by floods, act of God, or from any other like causes beyond its control or by reason of necessary maintenance outages. Either party shall notify the other immediately should the service for which the other party is responsible be unsatisfactory for any reason or should there be any difficulties, trouble, or accidents affecting the supply or receipt of electricity. Such notices, if oral, shall be confirmed in writing.

6. *Notice.*—Any notice, demand, or request, required or authorized by this agreement, shall be deemed properly given if mailed postage prepaid to the Manager of Power, Tennessee Valley Authority, Chattanooga, Tenn., in the case of Authority, and to the Vice President, Kentucky Utilities Co., Lexington, Ky., in the case of Company. The designation of the person to be so notified may be changed by Authority or Company at any time or from time to time by similar notice.

7. *Enforcement of rights.*—Either party shall have the right to maintain suit at any time for any loss or claim that may previously have occurred or arisen hereunder without waiting until expiration of the term of this agreement and without losing or waiving any right to maintain suit for subsequent losses occurring during the term of this agreement, and recovery in such suit shall not be deemed as splitting the cause of action.

8. *Waiver.*—Any waiver at any time by either of the parties hereto of its rights with respect to the other party or with respect to any default or matter arising in connection with this agreement shall not be considered a waiver with respect to any subsequent default or matter.

9. *Governmental approvals.*—This agreement is subject to the approval of all governmental authorities having jurisdiction.

10. *Successors of parties.*—This contract shall inure to the benefit of and be binding upon the successors of the respective parties hereto.

11. *Persons not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this agreement or to any benefit to arise therefrom. Nothing, however, herein contained in this paragraph shall be construed to extend to any incorporated company if the agreement be for the general benefit of such corporation or company.

12. *Superseded agreements.*—This agreement upon becoming effective shall supersede and cancel the following agreements between Authority and Company:

- TV-48298 (January 11, 1940).
- TV-70683 (March 13, 1942).
- TV-75502 (September 1, 1942).
- TV-80771 (December 1, 1943).
- TV-80771, Supplement No. 3 (July 17, 1946).
- TB-80771, Supplement No. 4 (May 20, 1947).
- TV-80771, Supplement No. 7 (May 11, 1948).
- TV-95877 (December 19, 1946).
- TV-95877, Supplement No. 1 (January 13, 1947).
- TV-96042 (January 8, 1947).
- TV-96042, Supplement No. 1 (January 29, 1947).
- TV-4025A (August 5, 1948).
- TV-7616A (August 25, 1949).

13. *Term.*—This agreement shall become effective as of the date first above written and shall remain in effect for an initial term of ten (10) years and from year to year thereafter until terminated by either party upon at least one (1) year's written notice in advance of the expiration of said initial term of any then current yearly-extension thereof.

In witness whereof, the parties hereto have caused this

instrument to be executed by their duly authorized officers,
as of the day and year first above written.

Tennessee Valley Authority, By (S) George F. Gant,
General Manager.

Attest:

[Seal]

(S) Leona LeRoy, Assistant Secretary.

Kentucky Utilities Co., (S) E. W. Brown, Vice Presi-
dent.

Attest:

[Seal]

(S) G. M. Kilgus, Assistant Secretary

[fol. 1309]

EXHIBIT TV-14190A

Agreement Among Tennessee Valley Authority
Powell Valley Electric Cooperative and
Kentucky Utilities Company

This Agreement, made and entered into as of the 8th day of October, 1952, by and among Tennessee Valley Authority (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933 as amended, Powell Valley Electric Cooperative (hereinafter called "Cooperative"), a corporation duly created, organized and existing under and by virtue of the laws of the Commonwealth of Virginia, and Kentucky Utilities Company (hereinafter called "Company"), a corporation duly created, organized and existing under and by virtue of the laws of the Commonwealth of Kentucky;

Witnesseth:

Whereas, Cooperative and TVA have heretofore entered into an agreement in writing dated as of September 8, 1945 (which agreement as supplemented and amended is hereinafter called "Power Contract"), providing for the supply by TVA of Cooperative's electric power and energy requirements up to the maximum therein stated; and

Whereas, Cooperative's loads in the Tazewell, Tennessee, area have grown to such an extent that Cooperative is experiencing difficulty in supplying such loads over its 12.5 kv system from the Fitts Gap substation; and

Whereas, Company desires to establish an additional point of delivery of power in the Tazewell, Tennessee, area to the Company's subsidiary, the Dixie Power and Light Company, which is experiencing similar difficulty in supplying its loads in the Town of Tazewell, Tennessee; and

[fol. 1310] Whereas, the parties hereto now desire to enter into an agreement whereby the aforementioned difficulties may be relieved to their mutual benefit and economy;

Now, Therefore, for and in consideration of the mutual covenants herein contained and subject to the provisions of the Tennessee Valley Authority Act of 1933 as amended, the parties hereto covenant and agree as follows:

1. Company shall construct, operate, and maintain at its sole expense, a transmission line from a point on Company's system at Cumberland Gap, Tennessee, to the substation to be constructed, in accordance with Section 2 hereof, on a site to be selected by representatives of the parties hereto and acquired by the Cooperative at its sole expense, at or near the Town of Tazewell, Tennessee.

2. Cooperative shall with due diligence construct, or cause to be constructed, and shall thereafter own, operate and maintain at its sole expense on the site to be acquired by it in accordance with Section 1 hereof, a substation of not less than 5,000 kva capacity with sufficient space therein for the ultimate installation of eight (8) 15 kv oil circuit breakers. The equipment to be installed in said substation by Cooperative shall include, without limitation by reason of specification, a 5,000 kva, or larger transformer bank suitable for 33 or 66 kv operation with a low tension rating of 7.2/12.45 kv wye; a 500 kva, or larger, 12.47 kv, plus or minus 10% voltage regulator with parallel winding for double capacity at plus or minus 5% regulation; such 15 kv oil circuit breakers as from time to time may be required by Cooperative for its use; one 15 kv oil circuit breaker for the Company's use; and a 60 minute interval recording demand and watthour meter which will register all power and energy taken by Cooperative at the low-tension side of said substation. The substation to be constructed pursuant to this section is hereinafter called "Tazewell Substation."

[fol. 1311] 3. Cooperative shall reserve for Company's use 1,500 kva of Tazewell Substation's capacity, and Company shall install, or cause to be installed, and shall thereafter operate and maintain at its sole expense in Tazewell Substation a 60 minute interval recording demand and watthour meter which will register all power and energy taken by Company at the low-tension side of said substation. Company shall make records from said meter available to Cooperative and/or TVA upon request. Cooperative hereby grants Company such rights in and on Cooperative's property as may be necessary for the use, installation, operation, and maintenance of the aforementioned metering equipment.

4. (a) Section 1 of Article III of an agreement dated

as of March 22, 1951, between TVA and Company, which agreement is designated in TVA's files as Contract TV-11505A, is amended, effective with the date of initial delivery of power by Company to TVA at Tazewell Substation, by adding to the tabulation there set out, the following:

Delivery Point	Maximum Demand	Present Delivery Voltage	Future Delivery Voltage
High side of Powell Valley Electric Cooperative's Tazewell Substation.	1,500 kva	33,000	66,000

- (b) Deliveries of power and energy to TVA at the point established in Section 4(a) hereof shall be made in accordance with the provisions of Articles III and V of said Contract TV-11505A.
5. (a) Cooperative shall permit TVA to make such tests of Cooperative's meter at Tazewell Substation as is deemed necessary or desirable in TVA's judgment. In the event such tests prove the meter is inaccurate by more than 2% fast or slow, TVA shall have the right to [fol. 1312] make such adjustments as may be necessary to bring the accuracy of the meter within the above limits. If such adjustments fail to improve the accuracy of the meter to such extent, Cooperative shall replace said meter. All readings and charts from said meter shall be TVA's property and TVA shall read said meter each month and shall furnish charts for said meter as required.
- (b) Power and energy supplied by TVA to Cooperative through the system of Company as provided herein shall be delivered, taken and paid for in accordance with and subject to all the terms and provisions of the Power Contract except as expressly provided herein. For purposes of billing under the Power Contract the power and energy so delivered to Cooperative shall be the amount registered on Cooperative's meter at Tazewell Substation plus the portion of transformer losses caused by Cooperative's load to said substation and these amounts shall be added on a simultaneous basis to the measurements of power and energy delivered to Cooperative by TVA at the Fitts Gap Substation.

6. This agreement shall be effective as of the date first above written and shall remain in effect until the expiration of said Contract TV-11505A.

In Witness Whereof, the parties hereto have caused this instrument to be executed by their respective officers thereunto duly authorized, as of the day and year first above written.

Attest:

/s/ O. C. Albert,

_____, ____.

Powell Valley Electric
Cooperative.

By /s/ C. M. Collins,

President

[fol. 1313] Attest:

/s/ G. M. Kilgus,

Assistant Secretary.

Kentucky Utilities Company.

By /s/ E. W. Brown,

Vice President

Tennessee Valley Authority.

Attest:

/s/ Leona LeRoy,

Assistant Secretary.

By /s/ John Olinn,

General Manager.

Law

Approved by TVA Board of Directors December 19, 1952.

L.L.

Assistant Secretary.

POWELL VALLEY ELECTRIC COOPERATIVE

August 22, 1952

Mr. E. W. Brown, Vice President
Kentucky Utilities Company
159 West Main Street
Lexington 3, Kentucky

Dear Mr. Brown:

This will acknowledge receipt of your letter of July 14 with which you transmitted executed copies of the agreement providing for a delivery point to the Cooperative at Tazewell, Tennessee, on behalf of TVA.

The terms of the agreement and your letter were discussed at a meeting of our Board of Directors on August 13 and are acceptable with the exception of a few points which we feel need clarification in the understanding with respect to service territory.

We understand the third paragraph of your letter as a statement of policy designed to avoid controversy with respect to the customers in Tennessee served by our respective systems. It appears to us that this meaning might be clarified somewhat by a rearrangement of this sentence and we would like to suggest the following: "We are agreed that during the term of this agreement neither Powell Valley Electric Cooperative nor the Dixie Power & Light Company will serve any customer who is receiving service from the other party."

If this statement also satisfactorily expresses your desires, we would appreciate very much your acknowledgment by the return of one copy of this letter in order that [fol. 1314] we may feel free to execute the tri-party agreement and forward it to TVA for completion.

Very truly yours, /s/ Davis L. McNiell, Manager,
Powell Valley Electric Cooperative.

Accepted:

Kentucky Utilities Company for Dixie Power & Light
Company.

by /s/ E. W. Brown.

Agreement Among Tennessee Valley Authority
Powell Valley Electric Cooperative Old Dominion
Power Company and Kentucky Utilities Company

This Agreement, made and entered into as of the 22 day of June, 1961, by and among the Tennessee Valley Authority (hereinafter called "TVA"), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended, Powell Valley Electric Cooperative (hereinafter called "Cooperative"), Old Dominion Power Company (hereinafter called "Old Dominion"), a subsidiary of Kentucky Utilities Company, both Cooperative and Old Dominion being corporations duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Virginia, and Kentucky Utilities Company (hereinafter called "Company"), a corporation duly created, organized, and existing under and by virtue of the laws of the Commonwealth of Kentucky;

Witnesseth:

Whereas, Cooperative, TVA, and Company have heretofore entered into an agreement dated October 8, 1952 (TV-14190A), which agreement supplements and amends the Interconnection Agreement of March 22, 1951 (TV-11505A), between Company and TVA (which agreement as amended and supplemented is hereinafter called "Interconnection Agreement"), providing for the construction, operation, and maintenance by Cooperative of its Tazewell Substation with a capacity of not less than 5,000 kva to facilitate the [fol. 1316] supply of power to Cooperative in the area and also providing that 1,500 kva to said capacity shall be reserved by Cooperative for Company's use; and

Whereas, the loads of both Cooperative and Company in the Tazewell, Tennessee, area have grown so that it is desirable to increase the power Cooperative receives at the Tazewell Substation and also to increase the capacity of the Tazewell Substation and the amount of said capacity reserved for Company's use; and

Whereas, Cooperative, TVA, Company, and Old Dominion have heretofore entered into an agreement dated January 21, 1952 (TV-12890A), providing for the supply of power by Company to Cooperative's Stone Creek Substation for TVA's account and for the supply of power by TVA over Cooperative's lines to Old Dominion's Jonesville Substation for Company's account; and

Whereas, the parties desire to increase the amount of power which Company makes available to Cooperative at the Stone Creek Substation, discontinue the supply of power by TVA to said Jonesville Substation, and establish an emergency interchange connection near Jonesville between the systems of Old Dominion and Cooperative;

Now, Therefore, for and in consideration of the mutual covenants herein contained and subject to the provisions of the Tennessee Valley Authority Act of 1933, as amended, the parties hereto covenant and agree as follows:

1. (a) Cooperative shall, when necessary and at its sole expense, increase the transformer capacity of its Tazewell Substation provided for in Section 2 of Agreement TV-14190A to an amount sufficient to transform the power provided for in subsections (b) and (c) next following.

[fol. 1317] (b) Section 3 of Agreement TV-14190A is hereby amended by striking the figures and symbol "1,500 kva" appearing therein and substituting in lieu thereof the figures and symbol "3,000 kva."

(c) The portion of the tabulation appearing in Section 1 of Article III of the Interconnection Agreement referring to the delivery point at Cooperative's Tazewell Substation, which delivery point was added to said tabulation by Section 4(a) of said Agreement TV-14190A, is hereby amended by striking the figures and symbol "1,500 kva" appearing under the heading of "Maximum Demand" and substituting in lieu thereof the figures and symbol "8,000 kva."

2. The tabulation appearing in Section 1 of Article III of the Interconnection Agreement is hereby further amended by adding thereto the following:

High side of Powell Valley Electric Cooperative's Stone Creek Substation.....	1,000 kva	33,000	33,000
---	-----------	--------	--------

Deliveries of power and energy by Company at the Stone Creek Substation delivery point for TVA's account shall be made in accordance with the provisions as amended of Articles III and V of the Interconnection Agreement.

3. Old Dominion and Cooperative will continue to maintain their own facilities at the Stone Creek Substation delivery point, including the operation and maintenance by Old Dominion at its expense of a recording demand and watt-hour meter suitable for determining the 60-minute interval demand on the 12.5-kv side of said substation. Old Dominion's meter shall be read on the same date each month as TVA reads its meter at the Fitts Gap Substation. Company agrees to make available to TVA immediately after said date each month the readings of and the charts removed from said meters at said substation.

[fol. 1318] 4. Power and energy supplied by TVA to Cooperative through the system of Company as provided herein shall be delivered, taken and paid for in accordance with and subject to all the terms and provisions of the agreement between TVA and Cooperative date as of September 8, 1945 (which agreement as supplemented and amended is hereinafter called "Power Contract"), except as expressly provided herein. For purposes of billing under the Power Contract the power and energy so delivered to Cooperative shall be the amounts registered on Old Dominion's meter at the Stone Creek Substation plus an adjustment for transformer losses, and these amounts shall be added on a simultaneous basis of the measurements of power and energy delivered to Cooperative by TVA at the Fitts Gap Substation.

5. This agreement shall terminate and supersede Agreement TV-12890A, dated January 21, 1952, among the parties hereto.

6. The parties shall proceed with due diligence to establish an emergency interchange point between Cooperative's and Old Dominion's 12.5-kv systems at the location near Jonesville at which Old Dominion's Jonesville Substation was connected to Cooperative's system under said Agreement TV-12890A. Old Dominion shall make all necessary changes in its facilities at its sole expense to enable Old Dominion to connect its lines to Cooperative's lines at said location for

such emergency and other interchange purposes, and Cooperative shall make its facilities available to TVA without expense for the purpose of transmitting such emergency power to and from the Jonesville interconnection point. Cooperative will leave in place its existing metering equipment at said point of interconnection and Old Dominion shall be responsible for operating and maintaining said equipment at its expense.

It is the intent of the parties that the emergency conditions under which one party is entitled to call for emergency assistance and the other party is obligated, to the extent here-[fol. 1319] inafter provided, to supply emergency assistance at this interconnection point, are conditions arising from temporary circumstances, resulting in the unavailability of normally available facilities, which are beyond the control of the party affected and which prevent or interfere with or jeopardize the rendering of adequate and satisfactory service in the system of the party calling for emergency assistance.

Company shall, upon request by TVA during emergency conditions on the system of TVA or Cooperative, supply up to 700 kw of power to TVA at the Jonesville interconnection point if in the judgment of Company it has capacity in excess of its prior commitments available to deliver such power. TVA shall, upon request of Company during emergency conditions on Company's or Old Dominion's system, supply up to 700 kw of power to Company at the Jonesville interconnection point if in the judgment of TVA and Cooperative they have capacity in excess of their prior commitments available to deliver such power to the Jonesville interconnection point.

It is further the intent of the parties that other interchange transactions may take place at the Jonesville interconnection from time to time under conditions agreed to by the operating representatives of the parties hereto at the time.

The Jonesville interconnection shall remain open except when power is interchanged as provided herein, and during such periods of interchange the portion of the system of the receiving party being supplied with power hereunder shall be disconnected from its normal source of supply. Power supplied to Company by TVA pursuant to this Sec-

tion will be treated as power delivered in accordance with Section 2 of Article III of the Interconnection Agreement. Power supplied by Company to TVA pursuant to this Section will be treated as power delivered under Section 1 of Article III of the Interconnection Agreement.

W030861

[fol. 1320] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 7 to deposition of C. Wilson House

March 13, 1962.

Mr. F. E. Berry, Manager
Powell Valley-Electric Cooperative
Jonesville, Virginia

Dear Red:

This is to confirm our telephone conversation this morning.

Paul Button and I, and a representative of our Division of Law, will plan to meet you and representatives of Tazewell and New Tazewell on Thursday, April 12, at 1:00 p.m. I understand you will advise me next week the place in Tazewell or New Tazewell the meeting will be held.

Very truly yours, Tennessee Valley Authority.
C. Wilson House, District Manager, Office of Power.

CWH:VGL

CC: Paul S. Button, 815 PRB, Chattanooga

3/16/62—Mr. Button said in connection with Tazewell's request for power—IC/mp/rd

[fol. 1321]

Mgrs File
April 6, 1962.

Mr. F. E. Berry, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Red:

This is to confirm our recent telephone conversation relative to our meeting.

Paul Button, C. A. Reidinger, and I will meet you, other representatives of your cooperative, and representatives of the city governing boards of Tazewell and New Tazewell at the Cedar Grove Cabins on State Highway No. 33 about five miles southwest of New Tazewell on Thursday, April 12 at 1 p.m.

We are looking forward to seeing you next week.

Very truly yours, Tennessee Valley Authority.
C. Wilson House, District Manager, Office of
Power.

CWH:PR

CC: Paul S. Button, 809 PRB, Chattanooga
C. A. Reidinger, 619 NSB, Knoxville

[fol. 1322] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 8 to deposition of C. Wilson House

POWELL VALLEY ELECTRIC COOPERATIVE
REA

Jonesville, Virginia

Cooperative
Electricity
F. E. Berry
Manager

Telephone
Jonesville 52

April 13, 1962.

Mr. C. Wilson House
District Manager
Tennessee Valley Authority
26 UAB
Knoxville, Tennessee

Dear Wilson:

I am enclosing herewith a [attached] list of those persons attending our meeting yesterday at New Tazewell, and I wish to take this opportunity to thank you and your associates for your time given these people on various occasions.

Please convey my thanks to Paul and C. A. as their discussion of these problems was very informative to me as well as the citizens of these two towns.

Very truly yours, F. E. Berry, Manager, Powell
Valley Electric Cooperative.

FEB:mrr

[fol. 1323] List of Persons Attending Power Meeting at
Cedar Grove New Tazewell, Tennessee, on April 12, 1962

J. M. Campbell	Pres., Claiborne County Chamber of Commerce—New Tazewell
Glen McCallough	Councilman—New Tazewell, Ten- nessee
E. J. Hardin, III	Councilman—Tazewell, Tennessee
Douglas Overton	Recorder—Tazewell, Tennessee
C. A. Reidinger	TVA—Knoxville, Tennessee
Paul S. Button	TVA—Chattanooga, Tennessee
C. Wilson House	TVA—Knoxville, Tennessee
Rome Cardwell	Councilman—Tazewell, Tennessee
Joe F. Essary	Mayor—Tazewell, Tennessee
Ray Neely	Councilman—Tazewell, Tennessee
Edward M. Duncan	Councilman—New Tazewell, Tennes- see
Lloyd Moyers	Planning Committee—Tazewell, Ten- nessee
Wm. R. Stanifer	Attorney for Cities and Chamber of Commerce—Tazewell
Harry B. Rowe	PVEC—New Tazewell, Tennessee
F. E. Berry	Manager, PVEC—Jonesville, Virginia
Bill Debusk	Mayor—New Tazewell, Tennessee
Reed Bailey	New Tazewell Merchants Association —New Tazewell
Ralph Miner	PVEC—Jonesville, Virginia
Paris Coffey	Councilman—New Tazewell, Tennes- see

[fol. 1324] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 9 to deposition of C. Wilson House

EXHIBIT No. 71

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

To: Manager's Files, 531 PRB, Chattanooga
From: C. Wilson House, District Manager, Eastern District,
26 UAB, Knoxville
Date: April 18, 1962
Subject: Meeting With Representatives of Tazewell and
New Tazewell

The city councils of Tazewell and New Tazewell requested that representatives of TVA meet with them to discuss the possibility of obtaining TVA power. Messrs. Paul S. Button, C. A. Reidinger, and the writer met with their representatives at Cedar Grove, New Tazewell, on April 12, 1962. Thirteen representatives from Tazewell, New Tazewell, and Claiborne County were present. Mr. F. E. Berry, Manager, and two other representatives of Powell Valley Electric Cooperative, were also present. Attached is copy of [attached] letter dated April 13 from Mr. Berry with [attached 4-13-62] list of those attending meeting.

Representatives of the two towns said their governing boards and citizens were very anxious to get lower cost power and were going to do everything possible to obtain it. Both towns are incorporated but do not have any city taxes. The water system is jointly owned and operated but does not serve all persons inside the city limits.

The group was advised by TVA representatives that TVA would furnish power to the people in the towns if the towns or Powell Valley Electric Cooperative purchased or constructed a distribution system, provided it was economically feasible. They were advised that due to the relative small number of customers and load, it was probable that the only economical way they could be served with TVA power was

by the Cooperative. They were further advised that due to the territorial agreement between the cooperative and Kentucky Utilities, and the tri-party agreement among the cooperative, Kentucky Utilities, and TVA covering Tazewell Substation there is some doubt that the cooperative could serve them initially.

Mr. Berry said even if the above agreements should not prevent the cooperative giving service, he doubted seriously if REA would loan them funds or allow them to use their own funds to build a competing system with the probability of litigation from Kentucky Utilities. Mr. Berry said in the event the towns built their own distribution system, he felt sure the cooperative would be willing to enter into a contract to operate and maintain it.

[fol. 1325] TVA representatives suggested that each of the towns appoint three representatives on a committee to further study the situation and determine what actions should be taken. It was suggested that this committee of six might want to contact Kentucky Utilities to determine if they would be willing to sell the distribution system to the towns or cooperative, and possibly employ an engineering firm to make a study. Any commitments made by the committee would have to have prior approval of the governing boards of the two towns. The group was advised that both TVA and the cooperative would be glad to confer with the committee at any time.

C. Wilson House.

CWH:VGL

Attachment: —

CC: Paul S. Button, 815 PRB, Chattanooga
C. A. Reidinger, 619 NSB, Knoxville
James E. Watson, 818 PRB, Chattanooga

P. S. F. E. Berry died suddenly of a heart attack the night after this meeting. Ralph Miner, who was present at the meeting, has been appointed Acting Manager.

[fol. 1326] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 10 to deposition of C. Wilson House

EXHIBIT No. 72

Paul S. Button, Director of Power Marketing, 815 PRB,
Chattanooga
C. Wilson House, District Manager, Eastern District, 26
UAB, Knoxville
October 17, 1962

Powell Valley Electric Cooperative—Tazewell and New
Tazewell

Ralph Miner, Manager of Powell Valley Electric Cooperative, advised me today that they sent a registered letter to the Kentucky Utilities Company yesterday (October 16, 1962) giving notice of cancellation of territorial agreement on January 16, 1963. You have a copy of this letter agreement which was [filed 332.53 Powell Valley EC] letter dated January 8, 1958, from KU to the cooperative, and accepted and agreed to by the cooperative on January 16, 1958.

Attached for your information is copy of [attached] letter dated October 5, 1962, to Mr. Kivett, Attorney in Tazewell from the Tennessee Public Service Commission, and [attached] letter dated October 8, 1962, to the cooperative from Mr. Kivett, relative to service to a residence in New Tazewell.

C. Wilson House.

CWH:VGL

Attachments

CC: C. J. McCarthy, 609 NSB, Knoxville

[fol. 1327] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 11 to deposition of C. Wilson House

EXHIBIT No. 73

Paul S. Button, Director of Power Marketing, 815 PRB,
Chattanooga
C. Wilson House, District Manager, Eastern District, 26
UAB, Knoxville
October 18, 1962

Powell Valley Electric Cooperative—Service to Housing
Projects—Tazewell and New Tazewell

A 24-unit housing project is being constructed in Tazewell and a 36-unit project in New Tazewell. The projects are being constructed by the LaFollette Housing Authority. The Authority is very anxious to obtain electric service from the Powell Valley Electric Cooperative rather than the Kentucky Utilities in order that these low-rent houses can be heated electrically.

Attached is copy of [attached] letter dated October 17, 1962, from Ralph B. Miner, Manager of the cooperative, (with copies of his attached relative information) requesting a meeting with TVA representatives to discuss this matter.

Under the territorial agreement between the cooperative and KU, effective January 16, 1958, [filed 332.53 Powell Valley EC] both of these projects are in KU's territory. As I advised you yesterday, the cooperative has notified KU of termination of this letter agreement on January 16, 1963.

KU is furnishing construction power for these projects but I understand service is in the name of the contractor and not the Housing Authority. Ralph Miner advises me that he understands the Authority has advised KU by letter that they do not want service from them. He is going to endeavor to get a copy of this letter.

As you know, the letter agreement [filed 332.53 Powell Valley EC] dated August 22, 1952, between the cooperative and KU only stipulates that during the term of the tri-party agreement neither the cooperative nor KU will serve any customer who is receiving service from the other party.

It will be appreciated if you will advise me a date representatives of Power Marketing and Division of Law can meet with Mr. Miner and his attorney in Knoxville to discuss this problem and possibly other matters concerning possible service to Tazewell and New Tazewell.

C. Wilson House.

CWH:VGL

Attachments—6

CC: C. J. McCarthy, 609 NSB, Knoxville

[fol. 1328] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 12 to deposition of C. Wilson House

Mgrs File
October 31, 1962.

Mr. Ralph B. Miner
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

I have made arrangements for C. A. Reidinger of our Division of Law and Paul S. Button, Director of Power Marketing, to meet you and your attorney in my office on Thursday, November 15 at 10:30 a.m.

We are looking forward to seeing you.

Very truly yours, Tennessee Valley Authority.
C. Wilson House, District Manager, Office of
Power.

CWH:PR

CC: Paul S. Button, 815 PRB, Chattanooga
C. A. Reidinger, 619 NSB, Knoxville

[fol. 1329]

Mgr. File

POWELL VALLEY ELECTRIC COOPERATIVE
REA
Jonesville, Virginia

Cooperative
Electricity
Ralph B. Miner
Manager

Telephone
Jonesville 52

November 2, 1962.

Mr. C. Wilson House
District Manager
Tennessee Valley Authority
26 UAB
Knoxville, Tennessee

Dear Wilson:

Thank you for making arrangements for the meeting on
November 15 at 10:30 A. M.

We will see you then.

Very truly yours, Ralph B. Miner, Manager, Powell
Valley Electric Cooperative.

RBM:mrr

[fol. 1330] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 13 to deposition of C. Wilson House

EXHIBIT No. 74

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

To: Manager's Files, 531 PRB, Chattanooga

From: C. Wilson House, District Manager, Eastern District,
26 UAB, Knoxville

Date: November 19, 1962

Subject: Meeting With Powell Valley Electric Cooperative
—Relative to Tazewell and New Tazewell

Messrs. T. Graham Wells, Jr., C. A. Reidinger, and the writer met with Ralph B. Miner, Manager, and Clyde J. Cridlin, Attorney, of the Powell Valley Electric Cooperative, in the writer's office on November 15, 1962. The purpose of the meeting was to discuss the possibility of Tazewell and New Tazewell obtaining TVA power and what action should be taken at this time. Mr. Miner said the people and city councils of the two cities are very anxious to obtain TVA power.

Mr. Miner said, while in Washington recently, REA had advised him that REA could not grant a loan to the cooperative to serve the two cities but the cooperative could use its general fund.

TVA representatives advised the cooperative that a decision should be made as to whether the cooperative or the two cities will undertake to purchase Kentucky Utilities' facilities and, if that fails, to build a competing system. The letter agreement [filed 332.53 Powell Valley EC 8-22-52] between the cooperative and Kentucky Utilities, which is still in effect and is a part of tri-party agreement, might cause some difficulty if cooperative should start a competing system.

Regardless of who plans to initially serve the area, it was recommended that an engineering firm be employed to make an evaluation of the KU properties. It was agreed that

probably the area to be considered would be that area now served by KU out of the Tazewell Substation, which includes Tazewell, New Tazewell, and some rural customers in the vicinity and on Highway 25E as far northwest as the Powell River. It was suggested by TVA representatives that, first, an offer should be made to KU for the purchase of facilities and customers, and if KU refuses to sell, then start building a duplicate system at once.

It was pointed out that if the cities plan to serve the area initially, they would need to have their financing arrangement made, and an agreement with the cooperative providing for the operation of the system.

[fol. 1331] We suggested that the cooperative's attorney become familiar with cooperative laws in Tennessee and also determine the best method for the cooperative to purchase the system from the cities if it is initially acquired or constructed by the cities. He should also determine if it would be possible and feasible for the cooperative to purchase cities' revenue bonds.

In connection with Hammond Fowler's [attached] letter dated October 5, 1962, to Mr. Kivell, an attorney in Tazewell, Mr. Reidinger recommended that the cooperative and the two cities should request a hearing before the Tennessee Public Service Commission on any territory boundary which might be applied for by KU. He further suggested that the two cities pass resolutions that it is to the public interest for the cities to either purchase KU facilities or build a competing system; the Public Service Commission should be requested to deny KU a certificate of convenience and necessity, and should order KU to either reduce its rates to the level of the cooperative rates or sell its facilities to the cooperative in the public interest.

TVA representatives told Mr. Miner that a meeting with two or three representatives from each of the two city councils (Tazewell and New Tazewell) would be preferred to a meeting with the Claiborne County Chamber of Commerce as requested. He will make arrangements for this meeting to be held in writer's office on Tuesday, November 27, at 1:30 p.m.

The cooperative representatives requested that TVA advise them if TVA will provide a delivery point to the coop-

erative (and also to the cities if necessary) in the vicinity of Tazewell in the event KU is not willing to continue to deliver power to Tazewell on an interchange basis.

C. Wilson House.

CWH:VGL

CC: Paul S. Button, 815 PRB, Chattanooga
C. J. McCarthy, 609 NSB, Knoxville

[fol. 1332] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 14 to deposition of C. Wilson House

November 16, 1962.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

Graham Wells, C. A. Reidinger, and I enjoyed our meeting with you and Mr. Clyde Cridlin yesterday.

Confirming our telephone conversation this morning, we will plan to meet you and Mr. Cridlin in my office on Tuesday, November 27, 1962, at 9:30 a.m. (instead of 10:30 a.m. as originally scheduled).

I understand that you will make arrangements with Mr. Johnson Crawford of the New Jersey Zinc Company to meet with us at 11 a.m. (on November 27) to discuss the possibility of reducing the contract demand in the industrial power contract providing for service to the company's mine at Flat Gap.

You will also make arrangements with two or three representatives from the city council of both Tazewell and New Tazewell to meet with us on the same day at 1:30 p.m.

If anything should come up to interfere with our proposed meeting on November 27, please advise me. I will do likewise.

Very truly yours, Tennessee Valley Authority,
C. Wilson House, District Manager, Office of Power.

CWH:VGL

CC: Paul S. Button, 815 PRB, Chattanooga
C. J. McCarthy, 609 NSB, Knoxville

[fol. 1333] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 15 to deposition of C. Wilson House

EXHIBIT No. 75

INFORMAL

November 20, 1962.

T. Graham Wells
813 PRB

Please prepare a brief summary for use in discussing the problem of serving Tazewell and New Tazewell with the TVA Board.

The outline should include reference to previous overtures by these towns and advice given them. It should include certain basic facts, such as legal status of these towns under amended TVA Act, number of customers in each town, approximate power use and demands, and an estimate of system replacement cost.

The summary should include status of delivery point arrangements with KU, as well as territorial agreements.

The summary should include estimated cost of providing a delivery point from the TVA system for serving these loads. A mention of the alternative solutions would be appropriate.

The above should be developed, edited, and completed in time for review between us on November 26, since the discussion is scheduled with the TVA Board on the morning of November 27.

Paul S. Button.

PSB:BMR

[fol. 1334]

531 PRB

Paul S. Button, Director of Power Marketing, 815 PRB
K. E. Hapgood, Director of Power Planning and Engineering, 521 PRB

November 23, 1962

Service to Tazewell, Tennessee

Service to Tazewell could be provided by the construction of a 69 kv transmission line from the proposed Speedwell, Tennessee, Substation to Tazewell at a cost of the order of \$500,000. For service to only the Tazewell load a 5000 kva, 69-13 kv substation could be installed at a cost of some \$175,000.

If service were to also be provided to Powell Valley EC at Tazewell, we would probably construct a 20 mva, 69-26 kv substation to supply the Powell Valley EC's loads because they have plans to convert their system in this area to 25 kv. The cost of this substation with one 26 kv ocb would probably be some \$275,000. Assuming that service to Tazewell would be provided at 13 kv it would be necessary to install a 5000 kva, 26/13 kv transformer bank with a 26 kv breaker at a cost of some \$75,000. For TVA's purposes no breaker would be required on the 13 kv side. However, if Tazewell were to request breakers for the termination of more than one 12.5 kv circuit then TVA may consider installing one of these breakers at its expense. 13 kv breakers could cost \$18,000 to \$20,000 each.

These estimates are not based on any detailed studies and are subject to refinements but they may be adequate for your purposes and are certainly the best we can do on a day's notice. It is believed that detailed studies may indicate the most economical plan to supply Tazewell and Powell Valley would be for TVA to construct a 15 mva, 69-26 kv substation as an expansion of the present substation, if property is available to do this, to supply Powell Valley at 26 kv and TVA purchase the present Powell Valley 33/66-13 kv, 5000 kva substation from Powell Valley and use it to supply Tazewell.

FC:EP

KEH.

[fol. 1335] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 16 to deposition of C. Wilson House

EXHIBIT No. 76

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

To: Maanger's Files, 531 PRB, Chattanooga

From: C. Wilson House, District Manager, Eastern District,
26 UAB, Knoxville

Date: November 28, 1962

Subject: Meeting With Representatives of Powell Valley
Electric Cooperative and Cities of Tazewell and New
Tazewell

A meeting was held in the writer's office on November 27, 1962, at the request of the cities of Tazewell and New Tazewell to discuss what action the cities should take in their endeavor to obtain low cost electric power. The following were present:

Joe F. Essary

Bill DeBusk

William R. Stanifer

Paris Coffey

Dr. William Smith

Ralph B. Miner

Clyde Y. Cridlin

Paul S. Button

Edgar H. Drum

C. Wilson House

Mayor of Tazewell

Mayor of New Tazewell

Attorney for Tazewell and New
Tazewell, and Secretary of
Claiborne County Chamber
of Commerce

Representative Claiborne
County Chamber of Com-
merce

Representative Claiborne
County Chamber of Com-
merce

Manager, Powell Valley EC

Attorney, Powell Valley EC

TVA

TVA

TVA

Mr. Miner said he had discussed this matter with his board and they believe the two cities, instead of the cooperative, should take the necessary steps to purchase KU properties or build a competing system in Tazewell and New Tazewell. This decision was based on REA's and the cooperative's thought that it might be detrimental to the REA program to build a duplicate system. (Another reason, which was not mentioned to the cities' representatives, is territorial letter [filed 332.53 Powell Valley EC] agreement dated August 22, 1952.)

The two mayors stated that their city councils and a large percent of their citizens are very anxious to obtain low-cost electric service (rates equal to the cooperative's rates) and that the city councils are willing and anxious to do anything feasible to accomplish the desired results.

[fol. 1336] After considerable discussion of the problems involved and possible actions which could be taken, it was decided by the cities and cooperative that the following should be the initial steps:

1. The two cities will pass a joint resolution to the effect that they are going to endeavor to obtain low cost power for their citizens. The resolution to be specific on their intent but not too specific on how it will be accomplished. Mr. Stanifer, Attorney for the two cities, is to prepare a suggested resolution and send it to Mr. Cridlin for his comments. Mr. Cridlin will send it to TVA for comments. After all comments are received, the two cities will pass the resolution.
2. Each of the two cities will appoint a committee of two councilmen and the mayor. The Claiborne County Chamber of Commerce will probably have two representatives on this committee.
3. Mr. Stanifer and Mr. Essary, Mayor of Tazewell, plan to be in Nashville on November 30, and will endeavor to talk to representatives of the Tennessee Public Service Commission and get suggestions from them.
4. The cities will employ a consulting engineer to make an appraisal of KU facilities and customers served from the Tazewell Substation and also an estimate of cost to construct a duplicating system. Mr. Miner is to make arrangements for a meeting between R. H. Cot-

trell and the cities' committee to discuss the proposed study.

5. Mr. Miner will make an estimate of cost for the cooperative to operate and maintain the electric system in the event it is acquired or constructed by the cities. (I understand this cost will be based on an increment basis.)
6. After items 4 and 5 above are completed and reviewed, representatives of the cities, cooperative, and TVA will have another meeting to discuss the matter further and decide upon the next step or steps to be taken.

[fol. 1337] TVA representatives advised the group that TVA is not promoting this project; however if the cities and cooperative think it is to their interest to obtain TVA power for Tazewell and New Tazewell and plan to take such action as is necessary to accomplish this, TVA will cooperate with them. They were further advised that in matters of this kind there is always the probability of injunctions and court actions to delay their plans. Mr. Button urged the cities and cooperative to make their plans flexible enough so that either the cities or cooperative could serve the cities initially.

Mr. Button assured the cooperative representatives that TVA will continue to furnish the power supply requirements of the cooperative in the Tazewell area.

C. Wilson House.

CWH:VGL

Attachments

CC: Paul S. Button, 815 PRB, Chattanooga
C. J. McCarthy, 609 NSB, Knoxville
T. Graham Wells, Jr., 813 PRB, Chattanooga

P.S. Attached are copies of the following which were given to the writer at the meeting:

Letter dated November 1, 1962, from Hammond Fowler to Rogers Kivett

Notes by cooperative on meeting with REA on November 6, 1962

Notes by cooperative on meeting with TVA on November 15, 1962

[fol. 1338] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 17 to deposition of C. Wilson House

EXHIBIT No. 77

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

To: Manager's Files

From: Paul S. Button, Director of Power Marketing, 815
PRB

Date: December 5, 1962

Subject: Service to Powell Valley Electric Cooperative in
the Tazewell, Tennessee, Area

On November 27, 1962, there was a discussion with the TVA Board on recent developments relating to the efforts of the people of Tazewell and New Tazewell, Tennessee, to obtain TVA power.

It was noted that early in 1960, representatives of these towns met with the TVA Board to discuss the possibility of getting TVA power. At that time they were told that we did not consider them to be outside the area in which TVA power could be supplied, but because of their size we doubted whether they would have a feasible operation. The possibility of being served by the cooperative in the area was being considered by the towns.

Within the past year, at the cities' request, there have been several meetings among representatives of the cities, the cooperative, and TVA concerning aspects of this matter. Recently, the cooperative has given notice of termination to the Kentucky Utilities Company of a territorial [filed 332.53 Powell Valley EC 8-22-52] agreement between them. This agreement would have precluded further service by the cooperative in the town. REA has informed the cooperative that provided continued power supply is assured at Tazewell, they would not object to the cooperative's use of general funds for the financing necessary to provide service to these towns.

The cities have not renewed the company's franchises and are planning to appeal to the Tennessee Public Service Commission for rate relief or offer to buy the company's facilities serving them. They contemplate ultimate service through the cooperative. Initially, it may develop that distribution-system financing may take the form of a lease-purchase-operation arrangement with the cooperative.

The power for this area now comes from the Kentucky Utilities system. Under a tri-party agreement, [TV-12890A, filed 332.53 Powell Valley EC—Cont.] TVA delivers power to the company at our major interchange points in return for delivery by the company to the cooperative for our account at cooperative's substation in Tazewell. Part of the capacity of this substation is reserved for the company to serve about 1200 kw of load in these towns. The cooperative now serves about 4900 kw from this substation. Most of this load is in the area surrounding the towns.

[fol. 1339] It is apparent that if the cities are successful in their efforts to transfer their source of power to the cooperative, the company will have little interest in either continuing or expanding the transmission facilities serving this area. In view of this fact, the cooperative has asked if TVA would give them assurance of a supply of power at this location even if the present interchange arrangements are discontinued.

During the discussion, we pointed out that under the tri-party arrangement TVA established a delivery point for the cooperative at this location, but the cooperative provided the transformation facilities during the development of new loads in this area and TVA was able to delay investment normally related to this service. Even if the cities' loads were not added to the cooperative's system, other growth would soon require increased substation capacity and system strengthening. In either event, we would seek to take care of the growth as economically as possible, but if interchange was no longer available the development of our system in this area would entail extending a presently approved 69-kv line from LaFollette to Speedwell on up to Tazewell. This line and the terminal facilities might require additional investment of as much as \$500,000 or even \$750,000. These amounts, however, would provide strengthening in an area where there is need for economic

growth and the facilities would provide for a number of years in the future.

In view of the above, we recommended that TVA should assure the Powell Valley Electric Cooperative TVA would continue to supply their power requirements in the vicinity of Tazewell, Tennessee.

PSB.

PSB:BMR

CC: Paul L. Evans, 324 NSB, Knoxville
C. Wilson House, 26 UAB, Knoxville
Charles J. McCarthy, 629 NSB, Knoxville
E. A. Shelley, 411 NSB, Knoxville
J. E. Watson, 818 PRB
G. O. Wessenauer, 818 PRB
L. J. Van Mol, 411 NSB, Knoxville (4)

[fol. 1340] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 18 to deposition of C. Wilson House

EXHIBIT No. 78

UNITED STATES GOVERNMENT
Tennessee Valley Authority

Memorandum

12-11-62—Copies to: JEW, TGW, CWH—Mgr's F.
To: Mr. G. O. Wessenauer, Manager of Power, 818 PRB,
Chattanooga (3)
From: L. J. Van Mol, General Manager, 411 NSB, Knoxville
Date: December 10, 1962
Subject: Service to Powell Valley Electric Cooperative in
The Tazewell, Tennessee, Area

On November 27, 1962, following the discussion of the above subject, including the status of efforts by Tazewell and New Tazewell to obtain more economical power, the TVA Board approved the recommendation of the Office of Power that the Powell Valley Electric Cooperative be advised that TVA will continue to provide their future power requirements in the vicinity of Tazewell, Tennessee. The Board considered TVA's responsibility to continue serving the power requirements of the cooperative at this location as well as the need and urgency to encourage economic growth in this part of the region.

L. J. Van Mol.

CC: Paul L. Evans, 324 NSB
Charles J. McCarthy, 629 NSB
E. A. Shelley, 411 NSB

[fol. 1341] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 19 to deposition of C. Wilson House

EXHIBIT No. 79

December 14, 1962.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Mr. Miner:

We enjoyed the meeting held in my office on November 27, 1962, with representatives of your cooperative and the cities of Tazewell and New Tazewell to discuss the possibility of the cities obtaining more economical power.

The cities decided upon certain actions which they should take which included resolutions by each city, appointment of a joint committee, contacting the Tennessee Public Service Commission, and obtaining an appraisal of distribution facilities and customers in the two towns. We would appreciate being kept currently advised of any developments.

We assure you that TVA will continue to provide your cooperative's future power requirements in the vicinity of Tazewell.

Very truly yours, Tennessee Valley Authority.
C. Wilson House, District Manager, Office of Power.

CWH:VGL

CC: Paul S. Button, 815 PRB, Chattanooga

[fol. 1342] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 20 to deposition of C. Wilson House

COTTRELL & HOUSE, INC.

Engineers

P. O. Box 6507

Nashville 12, Tennessee

January 4, 1963.

Hon. James B. Debusk, Mayor

New Tazewell, Tennessee

Hon. Joe F. Essary, Mayor

Tazewell, Tennessee

Re: Proposal for Utilities Appraisal

Dear Sirs:

Attached in duplicate is our [attached] Proposal for preparation of an appraisal of Kentucky Utilities Company Electrical Distribution System in your area. I want to apologize to you for taking this long to submit the proposal to you but, due to the holidays and an effort to estimate our costs as accurately as possible, some time was required in preparing it.

At the same time I met with you, I was not aware of the extent of Kentucky Utilities Company's rural lines in your area or the roughness of the terrain involved. After looking the system over I found that my preliminary estimate was low.

You will note that the proposal is in two parts. Should you select only Part I, it is estimated that we can complete this in approximately six weeks after you authorize us to proceed. If you select both Part I and II, it is estimated that approximately two months would be required to complete both parts.

We are prepared to proceed with the appraisal immediately if you so desire.

If you have any questions about this proposal, please feel free to call us.

Should you desire to accept either Proposal, the Mayor of each city should sign all copies of the attached Proposal

[fol. 1343] indicating whether Proposal I or II is accepted. They should be attested by the proper person for each city. One copy should be returned to us as authority to proceed with the work.

Yours very truly, Cottrell & House, Inc. /s/ R. H.
Cottrell, Jr.

RHC:kw

Blind cc: Mr. Ralph Miner

[fol. 1344]

COTTRELL & HOUSE, INC.
Engineers
P. O. Box 6507
Nashville 12, Tennessee

January 4, 1963.

Hon. James B. Debusk, Mayor
New Tazewell, Tennessee
Hon. Joe F. Essary, Mayor
Tazewell, Tennessee

Re: Appraisal of Utilities Properties

Dear Sirs:

In accordance with our discussions on December 18, 1962, with you, Mr. E. J. Hardin, III, and Dr. William Smith, we are submitting herewith our proposal for making an inventory and appraisal of the Electric Distribution System now owned by the Kentucky Utilities Company in your area.

We propose to do the following:

1. Prepare maps of the existing utility system own owned by the Kentucky Utilities Company. Maps in the urban area will be prepared to the scale of $1" = 100 \text{ ft.}$ Maps of the rural area will be prepared to the scale of $1" = 500 \text{ ft.}$ The base maps prepared will be of a permanent type of film or linen which can be used to show the lines as they actually are when they are rebuilt as a portion of your system. The facilities may then be accurately located on the base maps based on actually measured distances. For this appraisal, reproducible tracings will be prepared from the base maps. On these maps, the poles and facilities will be located by observation.

2. Inventory the existing K. U. facilities, determining the average depreciation of them by observation. The inventory can be used for preparation of Plant in Place records when the system is acquired.

3. Based on the inventory, prepare an estimated present-day reproduction cost of the system. To this would be applied the observed depreciation to determine the present-day value of the facilities.

[fol. 1345] 4. Prepare rate comparisons for representative

Residential and Commercial usage between your existing rates and those charged by the Powell Valley Electric Co-operative.

5. Submit the report in person to your city councils jointly or to any group you designate, answering any questions you may have.

6. Assist you in any additional meetings you may require for acquisition of the system up to 4 man-days including travel time and a maximum of 1200 miles of travel by car.

We have submitted our proposals in two parts. They are as follows:

Part I—Consists of an appraisal of New Tazewell, Tazewell, the area between the two cities, and the area within approximately $\frac{3}{4}$ mile of the center of each city. This would include all items listed above.

Part II—Consists of an appraisal of the balance of the electric distribution system operated by Kentucky Utilities Company in Tennessee south of the Powell River. It is assumed that the appraisal of this system would be done at the same time as Part I and the report would be included with Part I.

Compensation for this work would be as follows:

Part I —the sum of \$2,100.00

Part II—the sum of \$1,700.00

For extra work in conjunction with meetings for the acquisition of the system over and above the time included in the proposal, compensation would be at the following rate:

Principal Engineer	—\$70.00 per day
Subsistence	—Actual cost
Transportation	—Automobile \$0.08 per mile
Public Transportation	—Actual cost

The above rate applies only to the officers of the firm, R. H. Cottrell, Jr., or L. A. House. If it is necessary for other employees to do work over and above that included in this proposal, a separate agreement will be negotiated. [fol. 1346] The above proposal does not include preparation of studies for duplicating the existing system or for

work involved in connecting it to the TVA or Powell Valley Electric Cooperative System.

Payment for the work covered shall be due within 90 days after submission of the report. If payment is not made by that time, interest will be charged from that date hence at the rate of 6% per annum.

Respectfully submitted, /s/ R. H. Cottrell, Jr., Pres.,
Cottrell & House, Inc.

Acceptance

Proposal(s) _____ are hereby accepted.

Date: ____, ____, ____.

New Tazewell, Tennessee

Attest: _____

Mayor.

Title.

Date: ____, ____, ____.

Tazewell, Tennessee

Attest: _____

Mayor.

Title.

RHC:kw

Blind cc: Mr. Ralph Miner

[fol.1347] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 21 to deposition of C. Wilson House

May 28, 1963.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

Mr. C. A. Reidinger and I plan to meet you and your attorney in my office here in Knoxville on Friday, June 14, at 10:30 a.m.

Very truly yours, Tennessee Valley Authority. C.
Wilson House, District Manager, Office of Power.

CWH:MHR

CC: Paul S. Button, 815 PRB, Chattanooga
C. A. Reidinger, 619 NSB, Knoxville

[fol. 1348] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 22 to deposition of C. Wilson House

EXHIBIT No. 80

For:

Paul S. Button
815 PRB

6-20-63.

Chattanooga [X]

From:

C. Wilson House
26 UAB

6-20-63.

Knoxville [XX]

Powell Valley Electric Cooperative—Tazewell and New
Tazewell

Ralph Miner called me today and advised me the following: Phil Ardery has returned from Europe and called Miner yesterday. Miner met with the mayors of the two towns yesterday. A meeting of the mayors and Ardery has been set for July 12. Miner believes they will employ him. Miner discussed with the mayors the items which will be included in letter regarding agreement, which seemed to please them. They decided it best that no letters be written (including TVA's letter to cooperative, advising town can be served with TVA power) until after they talk (and employ, we hope) with Ardery.

CWH:MHR

CC: C. A. Reidinger, 619 NSB, Knoxville

Jun. 25 1963

[fol. 1349] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 23 to deposition of C. Wilson House

EXHIBIT No. 81

Paul S. Button, Director of Power Marketing, 815 PRB,
Chattanooga
C. Wilson House, District Manager, Eastern District, 26
UAB, Knoxville

August 27, 1963

Powell Valley Electric Cooperative—Tazewell and New
Tazewell

We are attaching [attached] copy of [attached] letter of August 26, 1963, from Ralph B. Miner, and also copy of letter from the Mayor of Tazewell dated August 14 to the cooperative.

You will note in last paragraph of letter, Miner requests that TVA write the cooperative a letter regarding power supply. You will recall we agreed to sending such a letter at our meeting with Messrs. Miner and Cridlin in my office on June 14, 1963.

C. Wilson House.

CWH:VGL

Attachments

CC: C. A. Reidinger, 619 NSB, Knoxville

P. S. A meeting with Ralph Miner, Phillip Ardery, and possibly others is scheduled in my office on Thursday, September 5, at 10 a.m.

[fol. 1350] POWELL VALLEY ELECTRIC COOPERATIVE
REA
Jonesville, Virginia

Cooperative
Electricity
Ralph B. Miner
Manager

Telephone
Jonesville 52

August 26, 1963.

Mr. C. Wilson House
District Manager
Tennessee Valley Authority
26 UAB
Knoxville, Tennessee

Dear Mr. House:

We are enclosing copies of a [attached 8-14-63] letter from the Mayor of Tazewell, Tennessee. In this letter he sets forth his intention of buying out the existing power distribution system and requests that we furnish power.

It is our understanding that they want this Cooperative to operate and maintain the system and supply the electrical energy through our present distribution system by inter-connecting the two systems. We understand further that the Cooperative will bill each consumer connected to the city's system at the same rate as the present consumers are billed with a possible exception in the case of the small user of energy.

In the light of the above, we request that you confirm to the Cooperative the willingness and ability of TVA to furnish adequate wholesale power to enable us to serve this system.

Very truly yours, Ralph B. Miner, Manager, Powell
Valley Electric Cooperative.

RBM:mrr

[fol. 1351]

TOWN OF TAZEWell

Council Meets Every 2nd Tuesday 7:00 P. M.
Planning Commission Meets Every 1st Thursday 7:30 P. M.
Tazewell, Tennessee

August 14, 1963.

Ralph B. Miner, Esquire
Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Mr. Miner:

This is to inform you that the City of Tazewell proposes to acquire or construct an electric distribution system to furnish service to Tazewell and such other fringe area as is most economically feasible.

Counsel has given me an opinion that this action is fully authorized under the Tennessee Code and that Powell Valley Electric Cooperative under applicable law, both state and federal, is obligated to provide power and energy at appropriate wholesale rates for use in such a distribution system when acquired or constructed.

This is to request that you confirm to us your ability and willingness to provide the Tazewell electric system with power as it is ready for service.

Yours very truly, Town of Tazewell, Tennessee.
E. J. Hardin, III, Mayor.

[fol. 1352] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 24 to deposition of C. Wilson House

August 30, 1963.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

This is to confirm arrangements made earlier this month for a conference to discuss possible service to Tazewell and New Tazewell.

We plan to meet you and Mr. Ardery in my office at 418 1/2 Union Avenue, Knoxville, on Thursday, September 5, 1963, at 10 a.m., EST.

I am looking forward to seeing you and meeting Mr. Ardery next Thursday.

Very truly yours, Tennessee Valley Authority. C.
Wilson House, District Manager, Office of Power.

CWH:VGL

CC: Mr. Phillip P. Ardery
Brown, Ardery, Todd & Dudley
Kentucky Home Life Building
Louisville 2, Kentucky
Paul S. Button, 815 PRB, Chattanooga x
C. A. Reidinger, 619 NSB, Knoxville
T. Graham Wells, Jr., 813 PRB, Chattanooga

[fol. 1353] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 25 to deposition of C. Wilson House

September 9, 1963.

Mr. Philip P. Ardery
Brown, Ardery, Todd, and Dudley
Kentucky Home Life Building
Louisville 2, Kentucky

Dear Mr. Ardery.

As requested, I am listing below TVA representatives who were present at the meeting with you and Ralph Miner in my office on September 5, 1963:

Paul S. Button, Director, Division of Power Marketing,
Chattanooga
T. Graham Wells, Jr., Chief, Distributor Marketing
Branch, Chattanooga
C. A. Reidinger, Division of Law, Knoxville
Edgar H. Drum, Division of Law, Knoxville
C. Wilson House, District Manager, Eastern District, Knoxville

As requested, I am enclosing a copy of REA Bulletin 1-7.
We enjoyed our discussion with you last week.

Very truly yours, C. Wilson House, District Manager,
Office of Power.

CWH:VGL

Enclosure

[fol. 1354] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 26 to deposition of C. Wilson House

EXHIBIT No. 82

September 23, 1963.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

This is in response to your [attached] letter of September 13, 1963, enclosing a copy of a letter dated September 11, 1963, from the mayors of the towns of Tazewell and New Tazewell in which they informed you that the towns propose to acquire or construct an electric distribution system to serve the people of the area.

As we have previously indicated to you, TVA will continue to make power available to serve your power requirements in the Tazewell-New Tazewell area. In the event the towns of Tazewell and New Tazewell acquire or construct a distribution system as proposed, power will be made available to the cooperative for service to the loads on that system if an appropriate lease or purchase arrangement is developed so that the consumers will be served as a part of the Powell Valley Electric Cooperative's system.

Very truly yours, Tennessee Valley Authority.
C. Wilson House, District Manager.

TGW:PSB:AP

CC: Paul S. Button, 815 PRB, Chattanooga x
C. A. Reidinger, 619 NSB
T. Graham Wells, Jr., 813 PRB, Chattanooga

[fol. 1355] Paul S. Button, Director of Power Marketing,
815 PRB, Chattanooga
C. Wilson House, District Manager, Eastern District, 26
UAB, Knoxville

September 16, 1963

Powell Valley Electric Cooperative—Tazewell and New
Tazewell

We are attaching copy of [attached] letter dated September 11, 1963, from the mayors of Tazewell and New Tazewell to the cooperative, and also copy of [attached] letter of transmittal dated September 13, 1963, from the cooperative to TVA.

At our meeting with Miner and Ardery on September 5, we advised them that TVA would write the cooperative concerning power supply after receipt of the joint letter from the towns.

C. Wilson House.

CWH:VGL

Attachments

CC: C. A. Reidinger, 619 NSB, Knoxville

[fol. 1356] POWELL VALLEY ELECTRIC COOPERATIVE
REA

Jonesville, Virginia

Cooperative
Electricity
Ralph B. Miner
Manager

Telephone
Jonesville 52

September 13, 1963.

Mr. C. Wilson House
District Manager
Tennessee Valley Authority
26 UAB
Knoxville, Tennessee

Dear Mr. House:

We are attaching copies of a [attached 9-11-63] letter from the Mayors of Tazewell and New Tazewell, Tennessee. In this letter, they set forth their intention to acquire or construct electric distribution facilities inside the towns and some fringe area.

They request that we furnish power for use by this system; and as we understand it, this would be done by inter-connecting the two systems. Under this arrangement, we would bill the consumers of this system at the same rates as the present consumers of the Cooperative are billed with a possible exception of those using less than 50 KWH per month.

In the event they should acquire this system and we should make arrangements to operate it for them, would you be willing and able to provide such additional power as would be needed to supply the load?

Yours very truly, Ralph B. Miner, Manager, Powell
Valley Electric Cooperative.

RBM:mrr

[fol. 1357]

TOWN OF TAZEWELL

Council Meets Every 2nd Tuesday 7:00 P. M.
Planning Commission Meets Every 1st Thursday 7:30 P. M.
Tazewell, Tennessee

September 11, 1963.

Ralph B. Miner, Esquire
Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Mr. Miner:

This is to inform you that the cities of Tazewell and New Tazewell propose to acquire or construct electric distribution facilities sufficient to furnish service to the two towns and such other fringe area as is most economically feasible.

Counsel has given us an opinion that this action is fully authorized under the Tennessee Code and that Powell Valley Electric Cooperative under applicable law, is obligated to provide power and energy for use by the consumers of the system when acquired or constructed.

This is to request that you confirm to us your ability and willingness to provide the system with power as it is ready for service.

Yours truly, Mayor E. J. Hardin, III, Town of Tazewell.
Mayor James B. DeBusk, Town of New Tazewell.

[fol. 1358] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 27 to deposition of C. Wilson House

EXHIBIT No. 85

September 24, 1963.

The Honorable Edward J. Hardin, III and
The Honorable J. B. DeBusk
Mayors of
Tazewell and New Tazewell

Dear Mayors:

The Board of Directors of Powell Valley Electric Cooperative has instructed me to inform you that service will be made available to the consumers of the electric system mentioned in your [attached] letter of September 11, 1963, upon request as the need arises at rates and charges not in excess of those applicable to other consumers on the cooperative system.

Very truly yours, Ralph B. Miner, Manager, Powell Valley Electric Cooperative.

RBM: mrr

Copy Sent to Button, Reidinger

[fol. 1359] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 28 to deposition of C. Wilson House

Paul S. Button, x Director of Power Marketing, 815 PRB,
Chattanooga

C. Wilson House, District Manager, Eastern District, 26
UAB, Knoxville

April 10, 1964

Powell Valley Electric Cooperative—Tazewell Case

We are attaching for your information copy of [attached] letter dated April 3, 1964, from Ralph B. Miner, Manager of Powell Valley Electric Cooperative, to Norman M. Clapp in reference to letter dated March 10, 1964, from Kentucky Utilities Company to Mr. Clapp.

C. Wilson House.

CWH:VGL

Attachment

CC: C. J. McCarthy, 629 NSB, Knoxville.

T. Graham Wells, Jr., 813 PRB, Chattanooga

[fol. 1360]

April 3, 1964.

Mr. Norman M. Clapp, Administrator
Rural Electrification Administration
Washington 25, D. C.

Dear Mr. Clapp:

In accordance with your request, we are setting forth herein the facts on the issues referred to in a letter to you from Mr. F. I. Fairman, President, Kentucky Utilities Company, dated March 10, 1964.

In paragraph nine of his letter, Mr. Fairman says "contractors, which were engaged in doing construction work for Powell Valley" started construction to connect K. U.'s customers to Powell Valley's line. This is a misleading statement. While the contractor *was* doing some work in the area for the Cooperative, the work Mr. Fairman refers to had nothing to do with the Cooperative. I understand this work was done under a contract between the contractor and the municipalities of Tazewell and New Tazewell.

The customers referred to as being "pirated by Powell Valley" are customers of the Tazewell and New Tazewell Power Board and not of the Cooperative. At the request of the towns, the Cooperative has agreed to operate and maintain the towns' facilities. The cost of operations, plus a small amount charged by the Cooperative for wheeling power over the Cooperative's lines, are borne entirely by the towns from revenue collected from customers. The towns receive the net revenue.

In the case of the twenty customers referred to, it is true that K. U. lines were disconnected by employees of the towns and the municipal service connected; and it is true this was done without K. U.'s approval.

But—the towns had written K. U. over a month prior to this and asked them to set a price on their facilities—K. U. didn't even acknowledge their letter.

In attempting to provide their own service, representatives of the towns could not get K. U. to remove their facilities, so, in most cases, I understand, the home owner either took the K. U. meter off or gave express orders to the municipal employees to do so.

[fol. 1361] As to Mr. Fairman's contention that this is in violation of the TVA Act, this is a question which will soon be settled by the Court.

As to his allegations that I "openly solicited" their customers in the Harrogate area, nothing could be further from the truth. The Optimist Club invited me to meet with them on February 24 to provide them with any information I could about the possibility of our Cooperative serving their communities. I did not make a speech; merely tried to answer their questions as honestly and truthfully as I could. Webster defines "solicit" as meaning "to ask for with earnestness," and I am sure any member of the Optimist Club can testify that I did not ask for anything.

Members of the Club told me that Mr. Smith, a K. U. Local Manager from Middlesboro, Kentucky, was invited to the next meeting of their Club following my visit. He did speak to them for quite awhile, I understand, on the merits of the Investor Owned Utilities.

Also, subsequent to the other events mentioned here, four residents of the communities of Arthur, Harrogate, Shawanee and Tipprell came before the Cooperative Board to re-

quest help for their communities. They had in their possession some petitions which had been placed in local places of business for people's consideration. They had space provided for signatures to petition the Cooperative to serve them and space to sign against such action. Of 258 signers, 253 had signed "for" and 5 "against." The Cooperative did not try to get this business and has taken no action in regard to these petitions.

Mr. Clapp, we believe we have been entirely fair and within our rights in this whole matter. No loan funds are involved nor are any of our general funds. This is purely a local matter, an attempt of the people to secure lower rates, not an attempt on our part to lure them away from K. U. Petitions circulated in the Tazewell-New Tazewell area were about 8 to 1 for acquiring a municipal system, and the people of the towns are willing to duplicate the facilities of K. U., if necessary, to accomplish these ends. We see nothing wrong with our Cooperative supplying power to municipalities which, on their own initiative and not at our instigation, have exercised their right to go municipal.

[fol. 1362] As Mr. Fairman requested in his letter to you, I am sending a copy of this letter to him. If there are any areas of this still not clear, will you please advise.

Very truly yours, Ralph B. Miner, Manager, Powell Valley Electric Cooperative.

RBM:mrr

CC: Mr. F. I. Fairman

Mr. William H. Callaway

Mr. Edward J. Hardin, III, Mayor, Tazewell, Tennessee

Mr. Bill DeBusk, Mayor, New Tazewell, Tennessee

Mr. Paris Coffey, President, Claiborne County Chamber of Commerce

Dr. George Day, President, Harrogate Optimist Club

Mr. LeRoy Evans, President, Tazewell Jaycees

Senator Spessard L. Holland

Senator Herman E. Talmadge

Senator George McGovern

Senator J. Howard Edmondson

Senator John Sherman Cooper

Senator J. Caleb Boggs

Senator E. L. Mechem
Senator Allen J. Ellender
Senator Richard B. Russell
Senator Carl Hayden
Senator Lister Hill
Senator A. Willis Robertson
Senator John Stennis
Senator Gale W. McGee
Senator Hubert H. Humphrey
Senator Mike Mansfield
Senator Milton R. Young
Senator Karl E. Mundt
Senator Roman L. Hruska
Senator Clifford P. Case
[fol. 1363] Senator Olin D. Johnston
Senator George D. Aiken
Representative W. R. Poage
Representative E. C. Gathings
Representative John L. McMillan
Representative Lester R. Johnson
Representative Frank A. Stubblefield
Representative G. Elliott Hagan
Representative Robert L. Leggett
Representative Clifford G. McIntire
Representative Don L. Short
Representative Ralph Harvey
Representative Robert Dole
Representative A. Fernos
Representative Jamie L. Whitten
Representative William H. Natcher
Representative Joseph P. Addabbo
Representative Walt Horan
Representative Robert H. Michel

[fol. 1864] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 29 to deposition of C. Wilson House

May 5, 1964.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

I am sending to you under separate cover one print of map showing "Customers and Lines of TVA Power Distributors as of July 1, 1957, in Claiborne County, Tennessee". Our Legal Division says they do not object to you showing this map to REA if you want to.

I asked Lewis Wallace if they planned to have a meeting prior to May 13. He said they probably would and, if so, they would arrange the meeting through the attorneys.

Very truly yours, C. Wilson House, District Manager,
Office of Power.

CWH:MLH

Enclosure

EXHIBIT No. 30 to deposition of C. Wilson House

EXHIBIT No. 84

POWELL VALLEY ELECTRIC COOPERATIVE

COOPERATIVE
ELECTRICITY

JONESVILLE, VIRGINIA

TELEPHONE
JONESVILLE 52

March 18, 1964

Mr. C. Wilson House
District Manager
Tennessee Valley Authority
Knoxville, Tennessee

Dear Wilson:

I am enclosing the map of the Tazewells with the numbers you and I discussed and a list of corresponding numbers showing the consumer for each number and the date connected.

The prefix T A to the Account No. indicates a customer of Tazewell Municipal System — N T of the New Tazewell System.

The topographic maps enclosed have red circles around all consumers served from July 1, 1957 until these maps were made. (We sent them to Rufus Cottrell on April 21, 1958.)

We arrived at the red circled ones by pulling all the new accounts in Tennessee connected from July 1, 1957 until April 20, 1958 and locating them on the map. (There are 51 red circles.)

The only other note I had was the question, "Did we provide any service to the towns prior to July 1, 1957?" HAWKINS

According to our records, the answer to this is "No."

I enjoyed our excursion in "Big D" at the NRECA Meeting. I am glad TVA saw fit to have you there.

Very truly yours,

Ralph B. Miner, Manager
POWELL VALLEY ELECTRIC COOPERATIVE

RBM:mrr

Enclosures

KNOXVILLE, TENNESSEE
RECEIVED
MAR 19 1964
OFFICE OF POWER
DIVISION OF POWER MARKETING
EASTERN DISTRICT

RALPH B. MINER
Manager

C. F. STEELE
President
Blackwater, Va.

DR. JOHN PEARSON
Eldson, Tenn.

C. H. SLEMP
Dryden, Va.

O. I. SNODGRASS
Jonesville, Va.

BOARD OF DIRECTORS

LOYD MUNCY
Vice President
Harrogate, Tenn.

O. G. MOYERS
New Tazewell, Tenn.

OBIE YEARY
Ewing, Va.

RAY JARVIS
Speedville, Tenn.

CLYDE Y. CRIDLIN
Attorney

O. C. ALBERT
Secretary-Treasurer
Jonesville, Va.

XERO COPY

XERO COPY

[fol. 1366] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 31 to deposition of C. Wilson House

March 26, 1964.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

Confirming our telephone conversation this morning, I am sending you under separate cover prints of maps of "Tazewell and New Tazewell" on which are shown the cooperative's and cities' customers and lines.

These maps were prepared from the information you furnished us recently. As requested, I am returning the maps you sent us.

It will be appreciated if you will check the maps and advise me of any changes, corrections, or additions which should be made.

Very truly yours, C. Wilson House, District Manager,
Office of Power.

CWH:VGL

[fol. 1367] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 32 to deposition of C. Wilson House

April 6, 1964.

Mr. Leonard Watson, Engineer
City of LaFollette Electric Department
LaFollette, Tennessee

Dear Mr. Watson:

As discussed during your telephone conversation with our Jim Ward last Friday, we are enclosing a copy of Topo Map 144-SW on which we would like for you to indicate (by dots) the location of customers served in the Claiborne County area represented on this map. It is understood that your electric system was providing service to 242 customers in this section of Claiborne County as of February 1964.

The map has been marked to indicate the location of LaFollette's power lines as discussed by you and Jim in February 1964. Please correct any errors we may have made in locating your power lines on the map.

Your assistance and cooperation in this matter is appreciated very much.

Very truly yours, Tennessee Valley Authority.
C. Wilson House, District Manager, Office of Power.

JWW:VGL

Enclosure

[fol. 1368] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 33 to deposition of C. Wilson House

May 28, 1964.

Mr. Ralph B. Miner, Manager
Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Ralph:

In response to your telephone conversation today with our Jim Ward, we are enclosing four maps of the cities of Tazewell and New Tazewell showing Powell Valley Electric Cooperative's customers and power lines as of July 1, 1957, August 6, 1959, November 7, 1963, and after November 7, 1963.

If we can be of further service, please let me know.

Very truly yours, Tennessee Valley Authority.
C. Wilson House, District Manager, Office of Power.

JWW:PR
Enclosure

[fol. 1369] Paul S. Button, Director of Power Marketing,
815 PRB, Chattanooga
C. Wilson House, District Manager, Eastern District, 26
UAB, Knoxville

May 5, 1964

Tazewell Case—Maps

I am sending to you under separate cover one print each of maps which we have prepared for the Division of Law for use in the Tazewell case. We obtained the field information from Powell Valley and LaFollette.

CWH:MLH

C. Wilson House.

[fol. 1370] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 2 to deposition of Ralph B. Miner

EXHIBIT No. 57

Comparison of Kilowatt Hours Delivered in Claiborne County
During 1957 by

Powell Valley Electric Cooperative and Kentucky Utilities Company

K.U.Co. Deliveries

From Tazewell Substation.....	4,471,200 KWH
From Cumberland Gap Substation	
Station Totalizer.....	6,278,400
Delivered to Virginia.....	2,546,400
Net to Claiborne County.....	3,732,000
From Bryson Mountain Substation.....	217,200
Total K.U. Deliveries in Claiborne County....	8,420,400 KWH

P.V.E.C. Deliveries

From Tazewell Substation

Total KWH Taken.....	9,054,000
Delivered to Other Counties.....	1,222,290 ¹
Net to Claiborne County.....	7,831,710 KWH
Total P.V.E.C. Deliveries in Claiborne County,	7,831,710 KWH

K.U. Company Delivered 51.8 percent of the Total Kilowatt Hours of Electrical Energy Supplied to Customers in Claiborne County by the two Distributors During 1957.

¹ According to best estimate of P.V.E.C. Manager, Ralph B. Miner, following review of Cooperative's records. This estimate supplied as Exhibit 2 of Mr. Miner's deposition of August 20, 1964.

Vol

TVA. Rejected - it is not feasible to operate a system of this size.

Councilmen: Would rather have PUEC or some other agency take over and own system eventually.

Jones May buy system - get power to operate for a time then sell.

TVA. Instructions: Councils to approach both K.U. and PUEC. Find out K.U. position on selling - PUEC on buying.

(R.E.A. will not finance duplicate system) but will loan money to try existing one if Pop. under 1500 - (this stated by Mr. Henry -

U.S. DISTRICT COURT, EASTERN
DISTRICT OF TENN., NORTHERN
DIVISION

KEN. UTIL. CO.)
V.) C.A. 4391

TVA, ETAL

Ex. No.) to deposition of
Ralph B. Wigner

George M. Marlar
Notary Public

[fol. 1373] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 6 to deposition of Ralph B. Miner

Claiborne County
CHAMBER OF COMMERCE
Tazewell, Tennessee

October 23, 1962.

Mr. Ralph Minor
Manager

Powell Valley Electric Cooperative
Jonesville, Virginia

Dear Sir:

As representative of the Claiborne County Chamber of Commerce and the cities of Tazewell, New Tazewell and Cumberland Gap I wish to express the desire of these groups for a meeting with you and representatives of TVA for the purpose of discussing cheaper power rates for our citizens in this county who are not fortunate in receiving cheaper power.

It is our desire to have a joint meeting with the Chamber of Commerce and the cities on the 13th day of November, 1962 at 7:30 p.m. in the Tazewell Courthouse.

If this meeting meets with your convenience and the convenience of the officials of TVA please confirm.

Yours truly, William R. Stanifer.

WRS/lg

[fol. 1374] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 7 to deposition of Ralph B. Miner

EXHIBIT No. 61

On November 6, 1962, a meeting was held in William H. Callaway's Office in the Agriculture Building in Washington, D. C. The following people were present:

- | | |
|-------------------------|---|
| (1) William H. Callaway | Director, Northeast Area,
REA, Washington, D. C. |
| (2) Ray P. Stokely | REA, Washington, D. C. |
| (3) James W. Black | REA, Washington, D. C. |
| (4) Arnold Whiteaker | Legal Counsel, REA, Washington, D. C. |
| (5) Ralph B. Miner | Manager, Powell Valley Electric, Jonesville, Va. |

The purpose of this meeting was to discuss the possible acquisition of power facilities in Tazewell and New Tazewell, Tennessee. The people there have expressed an interest in lower cost power and have contacted the Cooperative relative to providing this power. During the course of subsequent discussion, it was decided the Cooperative could not borrow the money from REA to acquire these facilities, however, it might be possible to finance all or part of it from General Funds. An alternate method was discussed, that of the Cooperative operating and maintaining the system after the towns had purchased it from K. U. Preferably, under this plan, the Cooperative would retire the Revenue Bonds issued by the Towns as they came due, spend whatever was necessary out of General Funds to modify or improve the system; and when the bonds were retired would own the system. (Should be careful not to let Towns own it too long.)

Most of the discussion centered around this method, (bonds, etc.) and the following steps were outlined as a possibility for the two towns to consider:

- (1) Get authority to own and operate system.
- (2) Get authority from people to issue bonds.

- (3) Engineering Firm to make engineering acquisition appraisal.—Rehabilitation and Integration.—New Construction.
- (4) Arrange for power supply with T. V. A.
- (5) City work out acquisition details with K. U.
- (6) City arrange with P. V. E. C. for operations and eventual acquisition.
(Lease operate system—People would be customers not city.)
- (7) Obtain necessary state and local approvals (Virginia Corporation Commission) (Have Cooperative Attorney check with Virginia Association Attorney) and Tennessee Statewide Attorney.
- (8) Get necessary approvals from T. V. A. and R. E. A.

[fol. 1375] It was decided that the Board of the Cooperative should indicate at their next meeting whether they want to help these people in their quest for low cost power and instruct the Manager of their feelings—giving him and the attorney the necessary backing to do whatever they deemed wise and expedient to carry through on this.

It was the opinion of the group that there would be nothing wrong with the Manager showing an interest in the problems of these people and assuring them of the Cooperative's interest in them.

No agreement should be entered into with the Towns until after acquisition by them of the facilities.

If K. U. should lose in Middlesboro it might be wise for the Cooperative to approach K. U. relative to buying out their plant in the two towns—advising them the Towns are planning to force them to sell anyway. It would probably save them a good deal of money.

Revenue Bonds depend on the revenue from the electric system and do not jeopardize the Towns in any way.

Special considerations to consider were:

- (1) What happens to the few rural consumers served by K. U. and the County-Wide Movement.

[fol. 1376] IN UNITED STATES DISTRICT COURT.

EXHIBIT No. 8 to deposition of Ralph B. Miner

EXHIBIT No. 62

On November 15, 1962, at 10:30 A. M., a meeting was held between representatives of TVA and Powell Valley Electric Cooperative in C. Wilson House's Office in Knoxville relative to Tazewell and New Tazewell, Tennessee, requesting service from some distributor of TVA Power. The following people were present:

C. Wilson House—Manager, Eastern District Division of Power, T. V. A.
 Graham Wells —Chief, Distributor Marketing Branch, T. V. A.
 C. A. Reidinger —Attorney, T. V. A.
 Ralph B. Miner —Manager, P. V. E. C.
 Clyde Y. Cridlin —Attorney, P. V. E. C.

The purpose of this meeting was to determine what course the people of the above towns should follow in procuring lower rates on the power consumed, and also to determine what course the Cooperative should follow in helping them. The following methods were discussed, and it was decided by this group that the Board of the Cooperative should decide which of the two plans they would follow so that when we meet with representatives of the Towns we can tell them exactly which way we think they should go:

Plan #1

- (1) P. V. E. C. make sure of a power supply in the event K. U. cancelled Tri Party Agreement.
- (2) Offer to buy out K. U.
- (3) Under this plan we would need to be willing to approach K. U. with the idea that if they did not sell we would get this load some other way, probably by duplicating their system.

Plan #2 would be to advise the Towns to approach K. U. relative to buying out their system after having first had

an engineering firm appraise the property and having checked the appraisal with T. V. A. and P. V. E. C.

- (2) Float Revenue Bonds in sufficient amount to buy our system.
- (2a) P. V. E. C. would lease operate the system.
- (3) P. V. E. C. would make necessary replacements and improvements and retire bonds. Also might buy a major part of the bonds initially.

[fol. 1377] As an added means of putting pressure on the K. U. Company, the Cooperative should contact the Utilities Commission in Nashville and ask for a hearing on the allocation of any territory to K. U. in this area.

We then should make a trip to the Commission and tell them we think K. U. should be ordered out of the towns for these reasons:

- (1) K. U. rates are much higher.
- (2) The people want our power 95% or more.

If they refuse to deny K. U. permission to serve this area tell them they should then order K. U. to lower their rates to the level of the Cooperative.

The two towns should adopt a resolution as follows: They want cheaper power—The Cooperative has this cheaper power—They demand that the Cooperative serve them either by buying out K. U. or duplicating their system.

(This would be a part of Plan #1.)

[fol. 1378] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 9 to deposition of Ralph B. Miner

EXHIBIT No. 63

On Tuesday, November 27, [1962] a meeting was held in C. Wilson House's Office in Knoxville, Tennessee, to discuss Tazewell and New Tazewell, Tennessee's request for help in securing low post power. The following people were present:

William R. Stanifer	—Attorney
Joe F. Essary	—Mayor of Tazewell
Bill DeBask	—Mayor of New Tazewell
Paris Coffey	—Representative of Chamber of Commerce
Dr. William Smith	—Representative of Chamber of Commerce
Edgar H. Drum	—Law Division, T. V. A.
Ralph B. Miner	—Manager, PVEC
Clyde Y. Cridlin	—Attorney, P. V. E. C.
C. Wilson House	—District Manager, T. V. A.
Paul S. Button	—Director of Power Marketing, T. V. A.

There was a full discussion of what the people in the two towns desire and they let it be known that their purpose for having this meeting was to get advise as to the best means to secure this low cost power.

It was decided that the first step should be for the governing bodies of the two towns to adopt a resolution as follows:

- (a) That the chief aim is to secure low cost power regardless of who the supplier might be.
- (b) That they are determined to go all the way in securing low cost power.
- (c) That they will procure a competent engineering firm who will make an appraisal of the existing facilities of the two towns along with the short extensions outside the corporate limits and also including the facilities along 25E as far north

as the Powell River Bridge. (Said facilities are now the property of Kentucky Utilities Company.)

The next step would be to approach Kentucky Utilities Company and ask their representatives if they would be willing to sell these facilities. If they are willing, ask them to make a price. If they are unwilling, inform them that the two towns intend to have low cost power if it means duplicating the system then this will be done. An offer would be made at this time based on the engineering appraisal as mentioned in the resolution.

[fol. 1379] Means of financing this venture were discussed and the consensus of opinion was that it would need to be financed with revenue bonds. These bonds do not obligate the towns in any way, but would be retired from the revenues of the electric system. Representatives of the Cooperative informed people at this meeting they would be willing to operate this system, make necessary replacement and improvements out of their general funds and retire the revenue bonds as they came due.

One further question that was brought up was: That if the people of Tazewell and New Tazewell approach the Public Utilities Commission and ask them to require the Kentucky Utilities Company to either lower its rates to the level of the rates charged by the Cooperative, or if they are unwilling to do this, require the Kentucky Utilities Company to sell their facilities, then if they do not get action and they adopt a resolution demanding that the Powell Valley Electric Cooperative duplicate their (K. U.) system, what position would the Cooperative take?

This question has since been asked of REA Officials in Washington and they advise they will let us know what their thinking is in this regard.

The engineering firm has also been contacted relative to a meeting with officials of the two towns. A meeting date is tentatively set for Tuesday, December 18.

[fol. 1380] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 10 to deposition of Ralph B. Miner

EXHIBIT No. 64

On Tuesday, December 18, [1962], at 1:00 P. M., a meeting was held in the Court House in Tazewell, Tennessee. The following people were present:

Ralph B. Miner	—Manager, P. V. E. C.
Earl Sandefur	—Superintendent, P. V. E. C.
R. H. Cottrell, Jr.	—Engineer, Nashville
J. B. Debusk	—Mayor, New Tazewell
J. F. Essary	—Mayor, Old Tazewell
E. J. Hardin, III	—Future Mayor, Old Tazewell
Dr. Wm. Smith	—Member Chamber of Commerce, Claiborne County

The purpose of this meeting was for representatives of the two towns to discuss with Mr. Cottrell an engineering appraisal of the facilities now owned by KU in the Tazewell and New Tazewell area including all rural distribution lines south of Powell River.

Mr. Cottrell gave the said representatives a brief idea of what this appraisal would be comprised of: A pole by pole analysis of the existing system as to installation cost, estimated age and net value in place. This would include maps showing the lines fairly accurately and from this appraisal a fairly close estimate could be made of duplicating facilities should this become necessary. Mr. Cottrell told the representatives of the two towns that he would make them a lump sum cost estimate for doing this work, including possibly three meetings with TVA or anyone they wished him to meet with. Extra meetings above this number would be paid for on a per diem basis.

These people questioned representatives of the Cooperative concerning:

- (1) An office at Tazewell or New Tazewell for receiving payments of bills.
- (2) Our Amortization Charge.

- (3) Whether or not our Street Lighting Rate would be higher than what is now being paid KU.
- (4) Whether our demand meter would have a 30-minute or 15-minute interval.

The answers from the Manager of the Cooperative to the questions were:

- (1) He felt certain that the Directors of the Cooperative would be willing to provide this office for the convenience of the people when and if the two towns buy out the facilities and make arrangements with the Cooperative to operate them.
- [fol. 1381] (2) In regard to the Amortization Charge, they were told that this charge would be eliminated as soon as it could be determined that it would not jeopardize the financial condition of the Cooperative.
- (3) They were told that representatives of the Cooperative would check on the Street Lighting Rate and give them an estimated billing at some future date.
- (4) They were informed that no 15-minute interval demand meters would be used in Tazewell or New Tazewell, furthermore, any 15-minute interval meters now owned by the Cooperative would eventually be converted to 30-minute interval.

[fol. 1382] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 11 to deposition of Ralph B. Miner

EXHIBIT No. 65

On February 12, 1963, a meeting was held in the Tennessee Rural Electric Cooperative Association Building in Nashville, Tennessee. The following people were present:

J. C. Hundley — Executive Manager, T. R. E. C. A.
 Alfred MacFarland — Attorney, T. R. E. C. A.
 Ralph B. Miner — Manager, P. V. E. C.
 Clyde Y. Cridlin — Attorney, P. V. E. C.

One purpose of this meeting was to discuss with the T. R. E. C. A. people the developments in the Tazewell-New Tazewell Area in regard to their seeking lower power rates than are now available from K. U. Company.

They were presented copies of all the notes that had been taken at meetings between representatives of PVEC and REA, PVEC and TVA, PVEC, TVA and City Officials of both Tazewell and New Tazewell and finally between PVEC, City Officials and Cottrell & House, Engineers.

The TRECA attorney concurred in everything that had been done and stated that we probably were doing everything we could until the Towns moved further. He did recommend, however, that the Towns appeal to the Public Service Commission for K. U. Company to be required to "show cause" that their bills are nearly double that available from other sources in the area.

Another point discussed with no opinion voiced was whether the two towns would be bound by a Franchise signed by the County before the Towns were incorporated, authorizing K. U. to serve the area.

The Manager and Attorney of TRECA made themselves available to PVEC or Representatives of the Towns for any service they might be able to perform and made it very clear they would like to see PVEC serve the Towns.

The Attorney thought it would be a good idea for PVEC to buy a large part of the Bonds when and if they are issued, if not all of them.

The second item was PVEC being made exempt from Tennessee Sales Tax on items bought and delivered to them in Tennessee. TRECA Attorney advised PVEC to write Kenneth Herrell, Director, Sales Tax Division, Tennessee Department of Revenue, War Memorial Building, Nashville, and ask for an Exemption Number.

TRECA Attorney's full business name: MacFarland and Reed, 107 West Market Street, Lebanon, Tennessee.

[fol. 1383] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 12 to deposition of Ralph B. Miner

EXHIBIT No. 66

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D.C.

Aug. 29, 1963.
Ref.: Va. 34

Mr. Ralph B. Miner, Manager
Powell Valley
Electric Cooperative
Jonesville, Virginia

Dear Mr. Miner:

We have reviewed the information you have provided us concerning electric service in the towns of Tazewell and New Tazewell, Tennessee.

It is understandable from our previous discussions that the people of these towns are dissatisfied with the rates which Kentucky Utilities Company charges them for power and, as a result, the towns have been giving consideration to forming municipally owned systems with a view to obtaining power at TVA rates. We can also appreciate the fact that the representatives of the towns have contacted you to ascertain the extent to which your cooperative can participate in this effort to obtain TVA power. You are, of course, interested in keeping abreast of any developments concerning power supply not only in the towns but in the area around them because your cooperative serves in the rural area around the towns and the establishment of municipally owned or operated systems may affect your service area.

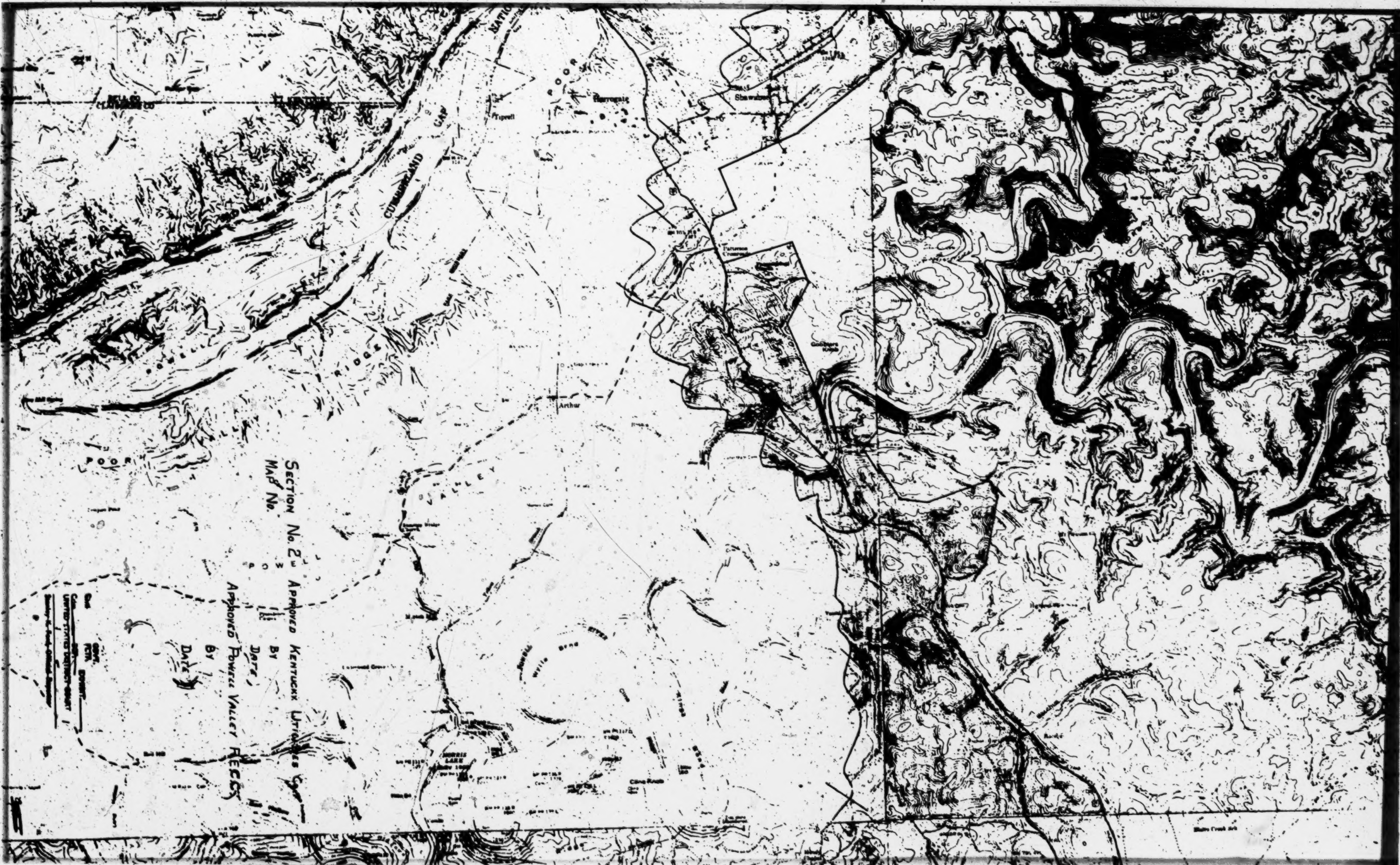
The matter of the source of power for the inhabitants of the towns is purely a local question. You are correct in believing that you must keep informed about the plans of the towns in the interest of protecting your own business in the area. There would appear to be no grounds for REA ob-
[fol. 1384] jecting to your supplying information to the towns or rendering such other assistance as is within your

corporate powers provided that the initiative for changing the source of power supply in the towns continues to come from them. As previously discussed, the cooperative should certainly not engage in promoting a change of power supplier in the towns.

REA loan funds as you know are not available to finance construction of any facilities to implement a plan for substituting another power supplier for that presently serving the towns. Also it is our understanding that the use of general funds is not being contemplated for this purpose. In this connection, you may wish to review REA Bulletin 1-7 which sets forth guidelines for the use and investment of your cooperative's general funds.

We hope that this letter will be helpful to you and your board of directors in future consideration of this matter. Please do not hesitate to communicate with us if we can be of any further assistance.

Sincerely yours, William H. Callaway, Director,
Northeast Area—Electric.

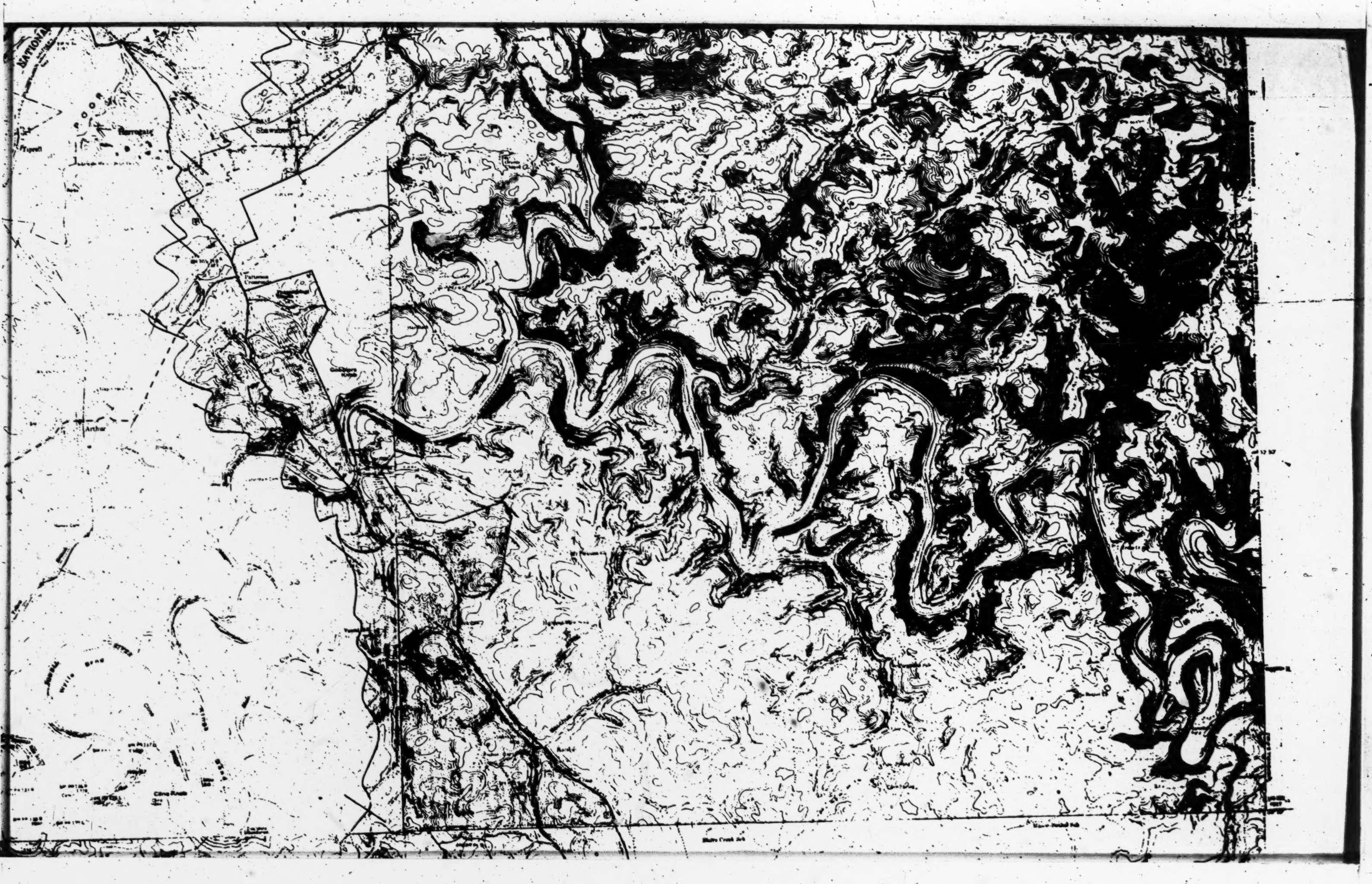


SECTION No. 2
MAP No.

APPROVED POWER VALLEY RECS

By
Date

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



[fol. 1385] IN UNITED STATES DISTRICT COURT

EXHIBIT No. 13 to deposition of Ralph B. Miner

EXHIBIT No. 67

Tazewell—New Tazewell Power Board Accounts as of
August 21, 1964

Acct. No.	Name	Address	Date Connected
NT-2	Hobert Minton	New Tazewell	11-7-63
NT-3-C	V.F.W. Post 8779	New Tazewell	11-7-63
NT-4	Charlie Venable	New Tazewell	11-2-63
NT-5	Lloyd Ramsey	New Tazewell	11-4-63
NT-6-H	Kennith Western	New Tazewell	11-4-63
NT-7	Darell Campbell	New Tazewell	11-4-63
NT-8	Danna Day	New Tazewell	11-4-63
NT-9	Mossie Keck	New Tazewell	11-4-63
TA-10	Junior Chadwell	Tazewell	11-7-63
TA-11-C	Brooks Furniture Mfg. Co. Inc.	Tazewell	10-31-63
TA-12	Cecil Hurst	Tazewell	10-31-63
TA-13-C	Skyview Restaurant	Tazewell	11-31-63
TA-14	Josephine McMurtry	Tazewell	11-7-63
TA-15	Jim McMurtry	Tazewell	11-7-63
TA-16	Clarence Mullins	Tazewell	11-7-63
TA-17-C	Cardwell Furniture Co.	Tazewell	3-20-64
TA-18-H	Leota Marshall	Tazewell	11-4-63
TA-19	Andrew J. Tabor	Tazewell	11-13-63
TA-20-C	Brooks Oil Co.	Tazewell	1-17-64
TA-21	L.P.S. Builders	Tazewell	4-14-64
NT-23	Mack Grey	New Tazewell	6-2-64
TA-24	Dr. George T. Novinger	Tazewell	7-16-64
NT-25	Robert England	New Tazewell	7-22-64
TA-26-C	Harrell and White	Tazewell	7-28-64

[fol. 1386] IN UNITED STATES DISTRICT COURT

EXHIBIT NO. 14 to deposition of Ralph B. Miner

Memoranda on the Taze—New Taze Power Situation, by RBM.

Summary of My Knowledge of the Tazewell—New Tazewell Power Situation

On April 12, 1962, Francis E. Berry asked me whether or not I had time to go to Tazewell with him to a meeting. I replied that I had the time if he wanted or needed me to go. I was Superintendent at the time. I did not know until we started what the purpose of the trip was. He said we were to meet representatives of the two Tazewells relative to their securing power through our Cooperative. The meeting was held at Cedar Grove Inn, west of New Tazewell, and the following people were in attendance:

J. M. Campbell	Pres., Claiborne County Chamber of Commerce—New Tazewell
Glen McCallough	Councilman—New Tazewell, Tennessee
E. J. Hardin, III	Councilman—Tazewell, Tennessee
Douglas Overton	Recorder—Tazewell, Tennessee
C. A. Reidinger	TVA—Knoxville, Tennessee
Paul S. Button	TVA—Chattanooga, Tennessee
C. Wilson House	TVA—Knoxville, Tennessee
Rome Cardwell	Councilman—Tazewell, Tennessee
Joe F. Essary	Mayor—Tazewell, Tennessee
Ray Neely	Councilman—Tazewell, Tennessee
Edward M. Duncan	Councilman—New Tazewell, Tennessee
Lloyd Moyers	Planning Committee — Tazewell, Tennessee
Wm. R. Stanifer	Attorney for Cities and Chamber of Commerce—Tazewell
Harry B. Rowe	PVEC—New Tazewell, Tennessee
F. E. Berry	Manager, PVEC—Jonesville, Virginia
Bill Debusk	Mayor—New Tazewell, Tennessee

Reed Bailey

Ralph Miner

Paris Coffey

New Tazewell Merchants Association—New Tazewell

PVEC—Jonesville, Virginia

Councilman—New Tazewell, Tennessee

The Representatives of the two towns stated they intended to have TVA Power by some means or the other. They wanted to know whether our Cooperative could help them and whether TVA would be willing to provide the power. They stated very plainly that they did not care which distributor furnished the power so long as they could have rates equivalent to those available to members of the Cooperative around the towns.

They knew the Cooperative had a Territorial Agreement with Kentucky Utilities Company and asked that this be cancelled as soon as possible.

TVA questioned them carefully to ascertain whether or not this desire was shared by a majority of the people in the two towns. They assured TVA that at least 90 per cent [fol. 1387] of the residents of the two towns would be behind them in any effort to secure a TVA Power Supply.

They were told by TVA that a system of this size was not feasible to operate on its own. They replied they did not intend to operate it if they could lease it to a TVA Distributor.

They asked Mr. Berry if the Cooperative could buy the system. He replied that no loan funds would be available to duplicate the system, but it might be possible to borrow money to buy it if it were for sale.

Mr. Berry passed away the following day of a heart attack.

The next contact I had was after I had been made Manager of the Cooperative. Representatives of the Claiborne County Chamber of Commerce requested that I make arrangements for them to visit the Cannery at Big Stone Gap, Virginia, and go with them up there to see their operation. I did so, and while these people were in the office they asked whether or not they could get any help from the Cooperative toward getting TVA Power. I replied we would help them in anyway we could, but, in my opinion, any effort to get KU out of their area would have to be made by the towns

themselves. Mr. Carl Bowling was President of the Chamber of Commerce and did most of the talking.

He went back to the Chamber of Commerce and told them what had been said, so he told me later, and the Chamber of Commerce voted to find out what steps were necessary to change power sources and then turn the entire package over to the towns.

On October 23, William R. Stanifer, Tazewell, Attorney for both towns, wrote a letter to me requesting that I set up a meeting with Representatives of TVA so that they might discuss the situation. This I did, and the meeting was set for November 27, 1962, at 1:30 P. M.

The meeting was held, and the following people were present:

William R. Stanifer	—Attorney
Joe F. Essary	—Mayor of Tazewell
Bill DeBusk	—Mayor of New Tazewell
Paris Coffey	—Representative of Chamber of Commerce
Dr. William Smith	—Representative of Chamber of Commerce
Edgar H. Drum	—Law Division, TVA
Ralph B. Miner	—Manager, PVEC
Clyde Y. Cridlin	—Attorney, PVEC
C. Wilson House	—District Manager, TVA
Paul S. Button	—Director of Power Marketing, TVA

[fol. 1388] Representatives of the two towns again stated their intentions of getting TVA Power or KU to lower its rates in the area, and they were here to get advice. They were again told it would be necessary for them to get the system themselves, that neither the Cooperative or TVA could or would take an active part in this action. It was decided they should approach KU and see if they would be willing to sell, if not, then plans could be worked out from there. They were also advised to get an Engineering Firm to evaluate the system before they made any offer to purchase. They were told the Cooperative would operate the system for them.

Representatives of the towns asked me during this meeting to advise them on securing an Engineering Firm and

set up a meeting with Representatives of said firm. This I did. The meeting was set up for December 18, 1962, at 1:00 P. M. in the Court House in Tazewell. The firm was Cottrell & House of Nashville.

The following people attended this meeting:

Ralph B. Miner	—Manager, PVEC
Earl Sandefur	—Superintendent, PVEC
R. H. Cottrell, Jr.	—Engineer, Nashville
J. B. Debusk	—Mayor, New Tazewell
J. F. Essary	—Mayor, Old Tazewell
E. J. Hardin, III	—Future Mayor, Old Tazewell
Dr. Wm. Smith	—Member Chamber of Commerce, Claiborne County

They were told by Mr. Cottrell about what could be expected in the way of work involved in making an evaluation of the system. He promised to send them a firm figure as to cost for doing the job. They questioned him on several different points and he gave them answers to as much as he could. They also questioned me about our willingness to operate the system and certain things they would expect if we should do so. These were: An office, Street Lighting Rate, Amortization Charge and the demand interval on our demand meters. I later sent Mr. Hardin an estimate on Street Lighting.

My next contact with these people was in February when they asked me to come to a joint meeting of the two Town Councils on February 11, 1963. The meeting was held in the Court House at Tazewell.

At this time, they asked me to set forth our intentions; and I made statements as follows:

- (1) That we had had numerous requests from people in the area to help them obtain TVA Power, even to the point of people threatening to sue the Cooperative.
- [fol. 1389] (2) That we were willing to help as much as we could, but that they (the towns) would have to take the initiative in any action.
- (3) That our Cooperative was doing fairly well financially and could continue to do so without the towns.

- (4) That we would advise, but do not want to push them into anything—if they were satisfied as things were then so were we.

I later attended a Joint Meeting of the Councils at which they had a Dr. Puitt from the University of Tennessee, who was a representative of an organization known as the "Municipal Technical Advisory Service." The towns belonged to this organization and had him there to advise them in this power endeavor. He did not attempt to tell them what to do, merely advised whether he thought different things could be done legally.

My only function again was to reaffirm our position in the matter.

My contacts with KU have been for the most part with Mr. Asher, Mountain Division Manager, of Pineville, Kentucky.

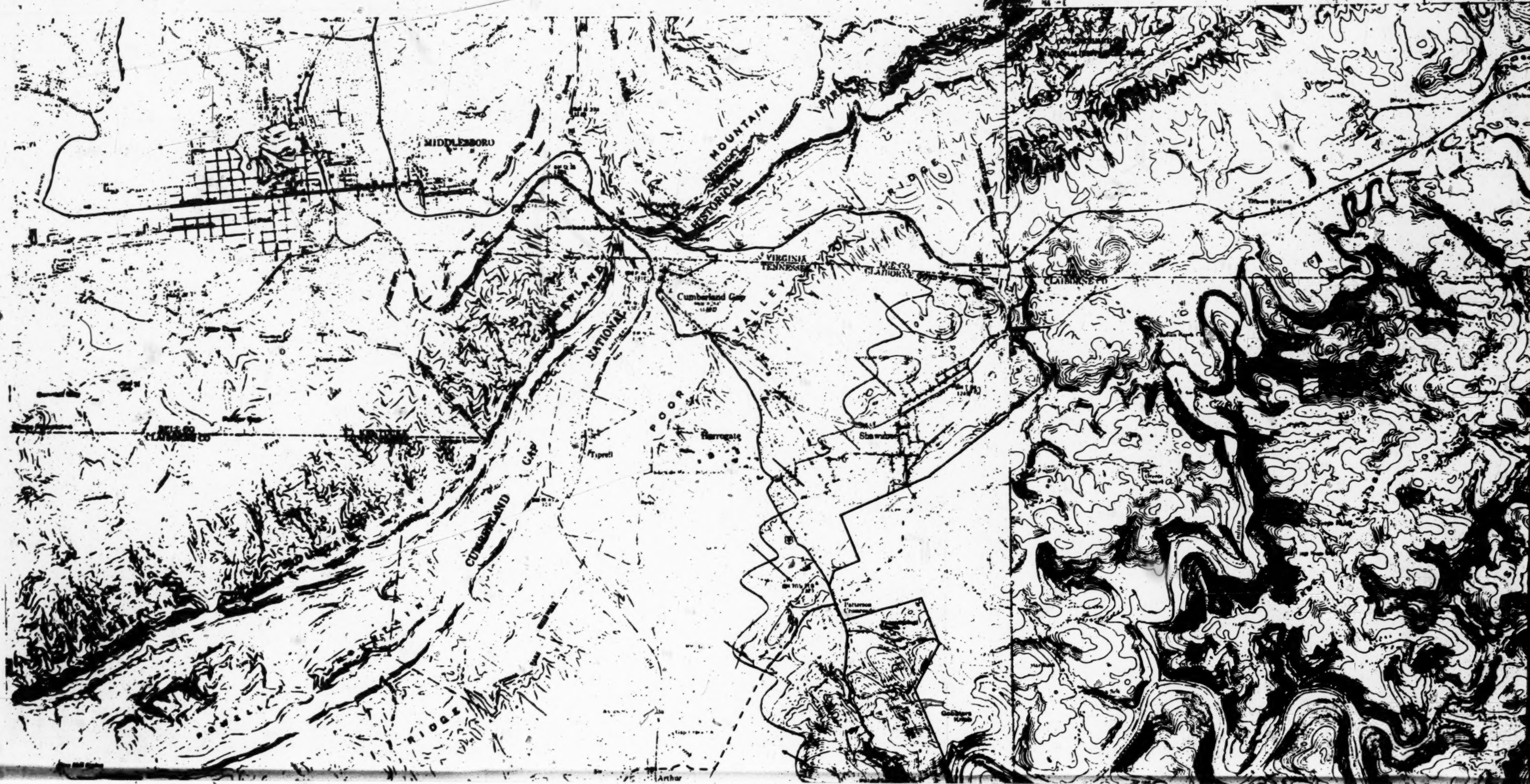
I told him as early as March, 1963, that this Cooperative had agreed to operate the power system for the towns provided they could acquire it. He said we could not do so because of restrictions in the REA Act and TVA Act. He also threatened once in a meeting at Tazewell not to heavy up the transmission line into the Tazewell Substation. I replied that power supply was between TVA and us, and I depended on TVA to make that type of arrangements and did not intend to become involved.

[fol. 1390]

IN UNITED STATES DISTRICT COURT
EXHIBIT No. 2 to deposition of Harry Rowe

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

UNITED STATES
TENNESSEE VALLEY
MAPS AND SURVEYS



IN UNITED STATES DISTRICT COURT
EXHIBIT No. 2 to deposition of Harry Rowe

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

UNITED STATES
TENNESSEE VALLEY AUTHORITY
MAPS AND SURVEYS BRANCH

EDITED

WHEELER QUADRANGLE
TENNESSEE-VIRGINIA
7.5 MINUTE SERIES (TOPOGRAPHIC) 153-154

